





## North Korea's Man in Macau / A Rare Bond Issue

## For Pyongyang Debt, It's a Hard Sell

By Philip Segal

Special to the International Herald Tribune

**M**ACAU — It is no doubt a measure of just how desperate North Korea has become for cash that Victor Cruz is in business at all and that he is doing it here.

Macau is, after all, something of a backwater in the world of international finance. The Portuguese colony is known more for gambling, prostitution and gangland slayings these days than for coordinating multimillion-dollar bond issues.

There are no vast trading floors jammed with computer screens here, no slick, preening masters of the universe peddling financial instruments to the world's wealthy.

There is just Mr. Cruz, a Portuguese agent for Pyongyang.

He is busily trying to sell 360 million Deutsche marks (\$209 million) worth of government-backed debt, discounted 50 percent, for North Korea, as it edges toward mass starvation. A sale by Mr. Cruz would mark North Korea's first foray into the debt market in almost 20 years; it defaulted on its previous debt obligation.

The sales pitch for these bank guarantees is that the money will be used to buy hundreds of thousands of tons of urgently needed food and medicine.

His fund-raising, however, has left a lot of questions unanswered, especially given North Korea's patchy history of paying up.

Mr. Cruz, 54, is the first to acknowledge that doing business is not always easy when you represent a murky trading company in the world's most insular country. His day is a flurry of phone calls and faxes around the world, as he sends off sheaves of paper from North Korea's International Industrial Development Co. Ltd. or Indecol, showing that he is North Korea's sole fund-raising agent abroad.

Mr. Cruz recently explained his operation while consuming a quick lunch of two slices of pizza topped with Thousand Island dressing, crab and octopus, followed by a custard tart. He granted two lengthy interviews in his office above his wife's travel agency.

He spends seven days a week for months at a time at his desk, always ready to take calls from Pyongyang, the North Korean capital. He has had no buyers yet for the North Korean debt, he acknowledges, but says there are some just around the corner.

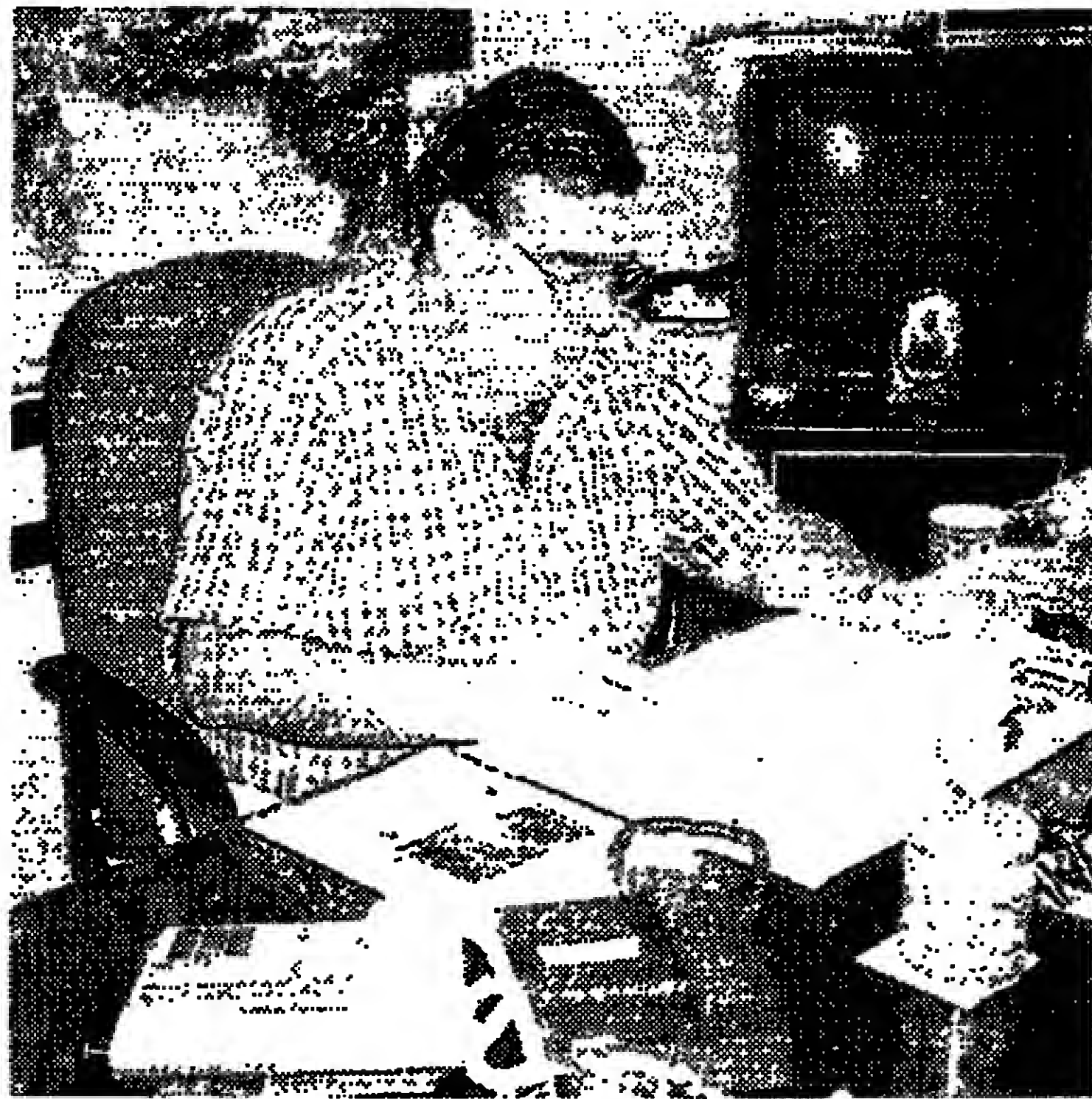
He says he has potential customers, whom he will not identify beyond saying that they are French and are ready to make their purchases through a French bank in Switzerland.

In the meantime, his wife's travel business makes ends meet, as Mr. Cruz helps her book plane tickets for Chinese tourists for gambling junkies to Macau.

In Pyongyang, Hyun Chol answers the phone at Indecol headquarters, identifying himself as chairman of the trading company. "We are all one team," he says of Mr. Cruz. "Mr. Victor Cruz is very trustworthy."

Although Indecol is North Korea's paramount fund-raising organization, few experts on North Korea and no regional bankers said they knew much about it.

But a banker in Seoul who has contacts with Pyongyang said he had "no doubt" that these were genuine North Korean bank guarantees, "signed by



Philip Segal/International Herald Tribune

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the president of Koryo Bank." North Korea's trade bank.

The only Western analysts to have heard of Indecol say that it is not officially a North Korean company at all, despite Mr. Cruz's documents. Rather, they said, it is a Macau company with good links to various agencies in North Korea, although not the powerful ministry of defense.

"It may be part of an internal power struggle," one analyst said.

Whoever is behind Indecol in Pyongyang, it seems clear Mr. Cruz has good connections in North Korea. Western analysts say Indecol, wherever it is officially incorporated, has good connections to Pyongyang, and Mr. Cruz has good connections with Indecol.

Indecol's chairman, Mr. Cruz said, reports directly to President Kim Jong Il. Mr. Cruz said he speaks with the president twice a day and claims to have enormous influence over North Korea policy. "If I tell them open the border with the South tomorrow, they open the border," he said.

Mr. Cruz's path to the international bond markets has been an unconventional one, according to his account.

Since he unsuccessfully opposed the Portuguese revolution that overthrew the Salazar dictatorship in 1974, Mr. Cruz said, he has spent no more than three days in his homeland.

Before he arrived in Macau four years ago, he was based in Tunisia, where he says he carried out fund-raising activities on behalf of Iraq. While there, he converted to Islam and adopted the name Slim Ben Amar.

His country of residence before Tunisia was Colombia. He declined to say what business he was engaged in there.

One of Mr. Cruz's reported relationships that was verifiable was his ongoing contacts with the U.S. Secret Service, which is charged with tracking down counterfeit currency. North Korea is thought to be a major source of bogus bills.

"Mr. Cruz has had dealings with the Secret Service, but due to the confidential nature of the dealings and ongoing investigations we can't comment," said the spokesman for the U.S. consulate in Hong Kong, Pat Corcoran.

Given this relationship with the Secret Service, a branch of the Treasury Department, Mr. Cruz complains bitterly that his lawyer in the United States was denied a special license that he needed to work on a similar debt issue there.

Both he and his lawyer, Timothy Mackenzie of Los Angeles, said that there were parties interested in buying a similar series of bank guarantees last year.

The Treasury Department, which declined to comment on Mr. Cruz's case, has granted two U.S. companies licenses allowing barter trade with North Korea.

U.S. citizens are also allowed to finance humanitarian aid shipments to North Korea, subject to Commerce Department approval.

The problem facing investors is gauging the likelihood that Mr. Cruz's guarantees from Koryo Bank will be repaid. A 360 million DM issue, even discounted at 50 percent, "is very impressive for a bank that doesn't disclose its capital or assets," one regional banker said.

Aside from the unusual practice of trying to issue new debt from a country still in default on its older outstanding paper, there are a few things about Mr. Cruz's pitch that make it a hard sell.

As a start is his justification why potential investors would pay a premium for the new debt over debt already outstanding.

Mr. Cruz is offering his bank guarantees at 50 percent of face value, while North Korea's defaulted London Club debt trades at 40 cents on the dollar.

"In general, countries that are in default on London Club debt can't raise new money," said Jerome Booth, an analyst at ANZ Bank in London. "If he's got private buyers, there's not going to be any secondary market in that. It won't have any liquidity at all."

Defaulted North Korean debt trades in London and has actually doubled in price since the beginning of the year on hopes that South Korea might assume some of the North's liabilities.

## Nuclear Force Eroding, Russian Warns Yeltsin

In Bitter Attack, Ex-General Rallies Officers

By David Hoffman

Washington Post Service

**MOSCOW** — A retired Russian general with a leading position in Parliament has warned President Boris Yeltsin in an open letter that Russia's strategic nuclear forces are heading for "extinction" because of lack of funds and maintenance.

He called on officers to organize themselves against the Kremlin's plans to curtail the military further.

The warning came in an extraordinarily bitter letter from Lev Rokhlin, the general who commanded Russian troops in the bloody December 1994 assault on Grozny, capital of Chechnya.

Mr. Rokhlin was later elected to the State Duma, the lower house of Parliament, where he is chairman of the Defense Committee and a member of the political faction known as Our Home Is Russia. This party was organized by high members of Mr. Yeltsin's government as a forum for campaigning in the 1995 Parliament elections.

"The strategic nuclear forces are destined for extinction," Mr. Rokhlin asserted in his letter, echoing a warning earlier this year by the defense minister at the time, Igor Rodionov, who was later dismissed by Mr. Yeltsin.

"At the present time, everything is being done to this end," Mr. Rokhlin added. "There is no financing for the work to extend the life of the missiles that are on combat duty and have exhausted their guaranteed term of service. The necessary funds are not allocated to work out new types of weapons."

When Mr. Rodionov issued his warning earlier this year, it was dismissed in Moscow and in Washington as a ploy to squeeze more money from the government.

But Western diplomatic sources said recently that they took the warnings seriously and believed the comments reflected a degradation of the Russian nuclear forces, both in vital command-

and-control systems and in readiness and reliability.

Mr. Rokhlin is considered to be close to many of the top generals and he has often appeared as a spokesman for the military.

His letter was especially blunt in blaming Mr. Yeltsin personally for the long war in Chechnya as well as the armed forces' woes. He was equally harsh in calling on Russian officers to take matters into their own hands.

"You bear a personal responsibility for unleashing the war in Chechnya," Mr. Rokhlin wrote. "And having made a decision to use the troops, you then surrendered the army."

The letter went on: "Against mercenaries and mature men, you threw into the battle 18-year-olds, boys who had not held guns in their hands."

With clear disdain, Mr. Rokhlin accused Mr. Yeltsin of failing to uphold the Russian Constitution and of surrounding himself with greedy cronies who send Russia's riches abroad.

"You fooled the nation and the military, failing to fulfill your pre-election promises," he wrote, pointing to the plight of military veterans, invalids, officers and others who have not been paid for months.

"You have destined the armed forces to significant destruction," Mr. Rokhlin added, offering dire predictions — that the country may break up, with Siberia and the Far East seceding from the rest of Russia and that China or the United States will seek to exploit Russia's weaknesses.

Mr. Rokhlin's statements come at a time when pressure on the military is growing. A newspaper recently reported that more than 10 soldiers and officers die every day of causes unrelated to combat, including suicide.

There also has been an outbreak of mass killings around the country by berserk soldiers.

According to recent reports, a plan has been advanced to compress the military into a triad of forces — a combined land-sea conventional force, a strategic nuclear force and the air force.

## Skipping Cambodia for Safety, Albright Extends Hanoi Visit

The Associated Press

**HANOI** — After canceling a visit to Cambodia because of security concerns, Secretary of State Madeleine Albright arrived here Thursday for her first visit to Vietnam.

She will hold talks with Vietnamese officials on human rights, American servicemen missing in action since the war and ways to expand trade and economic ties.

Mrs. Albright abruptly decided Wednesday not to visit Cambodia because of a firefight a week ago in Phnom Penh between the security forces of Cambodia's two rival prime ministers, Prince Norodom Ranariddh and Hun Sen. A rocket-propelled grenade hit the grounds of the U.S. Embassy during the fighting.

The secretary of state was to have spent two nights in Phnom Penh after leaving Vietnam. Her Asia trip will end Tuesday with a visit to Hong Kong, where she will witness the return of the British colony to Chinese rule. Now, she will lengthen her stay in Vietnam to two

days and extend her stay in Hong Kong next week to three days.

Enroute to Hanoi, Mrs. Albright said the highest priority for the United States in its relations with Vietnam was to obtain an accounting of missing American servicemen.

As for the cancellation of the trip to Cambodia, the State Department spokesman, Nicholas Burns, said, "The security situation simply will not permit the kind of trip she wanted to have."

He said that "extraordinary security precautions" would have been required even for a short visit. The safety of Mrs. Albright had to be taken into account, as well as that of the 40 others who are accompanying her, Mr. Burns said.

He said Mrs. Albright had planned to urge the Cambodians to end the politically-inspired violence in Phnom Penh, to promote democratic and political reform and to bring to justice the Khmer Rouge leader, Pol Pot. He is reported to be in the custody of a multinational faction in northern Cambodia.

## Los Angeles Endorses Draconian Panhandling Bill

Los Angeles Times Service

**LOS ANGELES** — Despite protests from civil rights lawyers and support groups for the homeless, the Los Angeles City Council has endorsed one of the toughest panhandling measures in the United States — a bill that bans aggressive soliciting, including following, swearing, threatening or unwanted touching.

Civil libertarians and advocates for the homeless, however, said they were considering a suit to prevent the measure from becoming law.

The bill also bans all panhandling in such places as bus and subway stations, freeway divides, and near banks, automatic teller machines and restaurants.

The proposal was approved by an 8-to-4 vote. Because it did not receive the 12 votes necessary for immediate enactment, it will be put to a second council vote next week. Since only eight votes are required for passage on the second ballot, the bill is expected to be passed.

It will take effect 30 days after Mayor Richard Riordan signs it. Violation of the law would be punishable by a \$50 fine for the first offense and a \$500 fine and six months in jail for repeat offenses.

The mayor said the measure would improve the lives of residents who are constantly harassed by aggressive panhandlers. But critics said the text was constitutionally flawed because it was too vague.

## TRAVEL UPDATE

## Bonn Shuts Post in Central Africa

**BONN** (Reuters) — Germany on Thursday advised its citizens in the Central African Republic to leave the country after recent clashes between African peacekeepers and army mutineers that killed at least 80 people.

Earlier Thursday, Foreign Minister Klaus Kinkel ordered the German Embassy in Bangui to close temporarily.

## Closure for Van Gogh Museum

**AMSTERDAM** (AP) — The Van Gogh Museum, one of Amsterdam's biggest tourist attractions, will shut its doors for eight months beginning in September 1998, while a new wing is built, officials said Thursday.

The original museum building will also be renovated. During the closure, a selection of Van Gogh paintings will be exhibited at the nearby Rijksmuseum, according to a museum press release. The museum attracts about a million visitors a year.

France's Socialist government Thursday left open the possibility of building a third airport for Paris. Transport Minister Jean-Louis Gossyso told the Senate that Orly airport to the south and Roissy-Charles de Gaulle to the north had reached saturation. A third airport, to the southwest, would cost 50 billion to 100 billion francs (\$10-\$20 billion). (Reuters)

Chinese rule over Hong Kong will not scare away tourists, a senior tourism official said Thursday. The authorities are launching a "Hong Kong 100 Days of Wonder" program to promote the city from July 1, after Britain hands its colony back to China, said Kent Hayden-Sadler, deputy executive director of the Hong Kong Tourist Association. (Reuters)

Due to technical problems, we were unable to provide our regular fund quotations in the issue dated 26th June. We apologize for any inconvenience this may have caused.

In this Saturday's

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International Entrepreneurs

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COUNTRY/CURRENCY	2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	1,450	1,350	55%
BELGIUM/LUXEMB.	3,380	3,150	60%
DENMARK	780	740	54%
FINLAND	620	580	50%
FRANCE	320	210	60%
GERMANY	182	122	50%
GREAT BRITAIN	182	122	50%
HONG KONG	970	280	57%
ITALY	1,450	53,000	60%
JAPAN	26,000	12,150	54%
MALAYSIA	122	101	43%
NETHERLANDS	182	122	50%
NORWAY	182	122	50%
SINGAPORE	182	122	50%
SPAIN	11,200	5,000	55%
SWEDEN	182	122	50%
SWITZERLAND	182	122	50%
USA	182	122	50%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST IHT OFFICE.

## WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	27/17	27	17	28/18	28	18	29/19	29	19
Amsterdam	16/10	16	10	18/12	18	12	19/13	19	13
Athens	26/17	26	17	28/19	28	19	29/20	29	20
Bangkok	30/18	30	18	32/20	32	20	33/21	33	21
Beijing	26/17	26	17	28/19	28	19	29/20	29	20
Bombay	30/18	30	18	32/20	32	20	33/21	33	21
Buenos Aires	26/17	26	17	28/19	28	19	29/20	29	20
Calcutta	30/18	30	18	32/20	32	20	33/21	33	21
Cairo	26/17	26	17	28/19	28	19	29/20	29	20
Chengdu	26/17	26	17	28/19	28	19	29/20	29	20
Colon	26/17	26	17	28/19	28	19	29/20	29	20
Copenhagen	22/14	22	14	24/16	24	16	25/17	25	17
Dublin	14/07	14	7	16/09	16	9	17/10	17	10
Hankow	26/17	26	17	28/19	28	19	29/20	29	20
Hong Kong	26/17	26	17	28/19	28	19	29/20	29	20
Kobe	26/17	26	17	28/19	28	19	29/20	29	20
London	14/07	14	7	16/09	16	9	17/10	17	10
Lyons	14/07	14	7	16/09	16	9	17/10	17	10
Manila	26/17	26	17	28/19	28	19	29/20	29	20
Moscow	14/07	14	7	16/09	16	9	17/10	17	10
Mumbai	30/18	30	18	32/20	32	20	33/21	33	21
Nairobi	26/17	26	17	28/19	28	19	29/20	29	20
Paris	14/07	14	7	16/09	16	9	17/10	17	10
Perth	26/17	26	17	28/19	28	19	29/20	29	20
Rangoon	26/17	26	17	28/19	28	19	29/20	29	20
Rio de Janeiro	26/17	26	17	28/19	28	19	29/20	29	20
Rome	14/07	14	7	16/09	16	9	17/10	17	10
Sao Paulo	26/17	26	17	28/19	28	19	29/20	29	20
Shanghai	26/17	26	17	28/19	28	19	29/20	29	20
Singapore	26/17	26	17	28/19	28	19	29/20	29	20
Taipei	26/17	26	17	28/19	28	19	29/20	29	20
Tokyo	26/17	26	17	28/19	28	19	29/20	29	20
Yokohama	26/17	26	17	28/19	28	19	29/20	29	20

Legend: s=sunny, p=partly cloudy, c=cloudy, sh=showers, h=heavy rain, dr=dry, f=fog, b=breeze, w=wind, v=very. All times, forecasts and data provided by AccuWeather, Inc. © 1997

## North America

Forecast for Saturday through Monday, as provided by AccuWeather.

Saturday through Sunday, as provided by AccuWeather											
<b>Unseasonably Cold</b> 			<b>Unseasonably Warm</b> 			<b>Heavy Rain</b> 			<b>Heavy Snow</b> 		
<b>North America</b>			<b>Europe</b>			<b>Asia</b>			<b>Oceania</b>		
<p>Most of the country, there will be more humid weather today and Monday. A cold front will affect much of the country on Saturday. Dry and clear in the period, but not so clear over the Pacific Northwest.</p>			<p>Cloudy, damp and cool Saturday through Monday for much of western and central Europe with a gusty wind. London, Paris and Warsaw will have some rain and drizzle, but there will be some sun in Scotland and Ireland. Warm and dry from southern Italy to Romania, and north to western Russia.</p>			<p>Heavy rain and are likely to see Japan and the weather as typical for the region. Heavy rain will persist in the southwest of China, but most of the country will be clear and dry.</p>			<p>Most of the country, there will be more humid weather today and Monday. A cold front will affect much of the country on Saturday. Dry and clear in the period, but not so clear over the Pacific Northwest.</p>		
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## THE AMERICAS

# Court Critics See Risk To Religious Freedom

## A Ruling Comes Under Vigorous Attack

By Laurie Goodstein  
Washington Post Service

WASHINGTON — A coalition of religious groups that united four years ago to pass the Religious Freedom Restoration Act has reacted bitterly to the U.S. Supreme Court's decision to strike down the law and predicted a dire future without its protection.

In the aftermath of the ruling Wednesday, the coalition said it now envisions a nation in which prison inmates are prohibited from praying in Arabic, Sikh Little League players are required to remove their turbans, students who are evangelicals are obliged to attend classes on evolution and churches are forbidden by zoning laws to remodel or run soup kitchens.

Whether those predictions accurately reflect the ruling's potential impact is far from clear.

A group of state attorneys general had contended that they did not need the power of a federal law to protect religious liberties. And some legal experts cautioned that the ruling may not be as dire to religious practices as some activists claimed.

Douglas Kmiec, a law professor at the University of Notre Dame, noted that, under the legal standard still in place, any religious group that felt it was specifically targeted by state or local law could make a claim.

The controversy began in 1990 when the Supreme Court ruled in Employment Division v. Smith that American Indians had no constitutional right to take the hallucinogenic drug peyote as a religious sacrament. The court said anti-drug statutes that were neutral toward religion could be valid even if they impinged on someone's right to practice his or her faith.

In reaction, Congress passed the religious freedom law in 1993 under the principle that government should not inhibit believers from practicing their faith unless it can prove there were "compelling" reasons for doing so.

Since the law was enacted, Jehovah's Witnesses successfully sued in California over having to take a loyalty oath

as a condition of their state employment; the Western Presbyterian Church in Washington prevailed in a struggle with zoning officials to keep open a homeless feeding program, and an American Indian prison guard won a lawsuit in New York State after he was disciplined for refusing to cut his hair.

But a city in Texas challenged the law's constitutionality when a church in town invoked it as it sought to enlarge its building in a neighborhood zoned for historic preservation.

On Wednesday, the court essentially said Congress had usurped the powers of the federal courts and the states when it enacted the law.

Some observers saw a decision that was less about religion than about Congressional authority.

The peyote case is important because, with the religious freedom law overturned, it becomes the guiding legal principle.

According to specialists on church-state issues, now only blatant and clearly bigoted attempts by state and local governments to discriminate against religious practices will be illegal. But such attempts are rare. More common, and more threatening, are laws that discriminate unintentionally, the specialists said.

"The Smith approach ignores the fact that people lose their rights just as surely by unintentional discrimination as they do by intentional discrimination," said Melissa Rogers, associate general counsel for the Baptist Joint Committee. "A Jewish schoolboy's right to wear a yarmulke is impaired as much by a rule banning all hats in school as it is by a rule that specifically prohibits yarmulkes."

The result will be reminiscent of the 1800s "when government went about persecuting the Mormons deliberately because of a neutral law" prohibiting polygamy, said Marc Stern, counsel for the American Jewish Congress, who wrote the brief submitted by the coalition of 75 groups in support of the law.

Zoning laws, landmark laws and environmental laws are all relatively new,



The Reverend Anthony Cummins, pastor of St. Peter the Apostle Church in Boerne, Texas, which invoked the religious freedom act after it was denied permission to build an addition.

and increasingly are applied to churches and religious institutions, he said.

The court's decision undoubtedly will supply new momentum to the drive to pass a constitutional amendment limiting government interference in religious activity.

"The court has once again acted to push religion to the fringes of society," said Senator Orrin Hatch, Republican of Utah, a primary author of the statute that was overturned.

"The Supreme Court has thrown down the gauntlet and we intend to pick it up."

Both Senator Edward Kennedy, Democrat of Massachusetts, and J. Brent Walker, general counsel for the Baptist Joint Committee, said they would be scouring the lower courts for another case to use as a vehicle to challenge the precedent the Supreme Court set in the peyote case.

Mr. Walker said another strategy was for states to enact laws protecting religious freedom.

### POLITICAL NOTES

#### A Balanced Budget by 2002?

WASHINGTON — Congress has approved sweeping legislation intended to balance the federal budget for the first time since 1969.

Versions of the bill passed by the House and Senate are different from each other in many significant details, however, and negotiators from the two chambers will now try to work out their differences and forge a compromise acceptable to President Bill Clinton.

Both bills would balance the budget by 2002, curb the growth of Medicare and Medicaid, spend \$16 billion on health care for uninsured children and restore cash assistance for hundreds of thousands of legal immigrants that lost their benefits under the 1996 welfare law.

The votes ended years of wrangling over balancing the budget. (NYT)

#### A No-No on the Punditry Perch

WASHINGTON — When George Stephanopoulos signed on as an ABC News contributor, he said he saw no conflict between his political past and his new punditry perch.

But the terrain is trickier than the former White House aide thought. ABC told him he could not go ahead and host a fund-raising dinner Thursday for Ruth Messinger, a Democrat running for mayor of New York City. "I called George and said this is a no-no," said Richard Wald, ABC senior vice president. Anyone employed by ABC News "should not be in active support of electoral politics," he said. "He made a mistake." (WP)

#### Collecting Taxes for the People

WASHINGTON — A congressional commission has recommended that a wide range of changes be made in the Internal Revenue Service — from placing management in the hands of an independent board to moving the traditional April 15 filing deadline back a month or more.

If enacted, the recommendations would change the agency from "an enforcement bureaucracy to a customer-driven service organization," said Representative Rob Portman, Republican of Ohio, who was co-chairman of the panel with Senator Bob Kerrey, Democrat of Nebraska. But some officials in the Clinton administration oppose the recommendations. (WP)

#### Quote/Unquote

Defense Secretary William Cohen on the military's handling of sexual misconduct cases: "Are we going to say that anybody who has a single blemish in their private life can never be confirmed for something, can never be promoted? What kind of signal is that to send?" (WP)

#### Away From Politics

• An obscenity-laced rock album has been pulled off store shelves by Walt Disney Co., less than a week after its music division sent 100,000 copies to record stores. The decision to withdraw Insane Clown Posse's "The Great Malenko" comes a week after the Southern Baptist Convention voted to boycott the entertainment giant for what it called anti-family products and policies. (AP)

• An armored car guard in Stroud, Oklahoma, returned from a fast-food restaurant to find his partner gone, as much as \$3 million missing, and a postcard hanging from the rearview mirror. "Is Paris nice this time of year? Oui. Bye," it read. (AP)

• A Russian lesbian living in San Francisco since 1992 can seek political asylum because of efforts by the Russian government to forcibly "cure" her of homosexuality, a federal appeals court has ruled. The decision overturned a 1995 ruling by the Board of Immigration Appeals denying asylum to Alla Picherskaia. (NYT)

# Clinton Endorses Cleaner Air Rules

## After Fierce Debate, He Backs EPA Drive on Soot and Smog

By John H. Cushman Jr.  
New York Times Service

WASHINGTON — In one of the most important domestic environmental decisions of the decade, President Bill Clinton has approved significantly tighter pollution limits on deadly soot and choking smog, while offering states and cities substantial flexibility in deciding how to reach the new goals over the next 10 years and beyond.

Ending a fierce behind-the-scenes battle, Mr. Clinton sided with the head of the Environmental Protection Agency, Carol Browner, against the concerns of his economic advisers, who had balked in the face of industry complaints that the rules would cost far more than they were worth.

The White House put aside many of those economic concerns once Vice President Al Gore jumped into the fray last week, after a lobbying campaign by environmental groups, administration officials said Wednesday.

And in the end, Ms. Browner made relatively modest changes to the rule her agency proposed last November.

Announcing his decision in a speech in Tennessee, President Clinton cast it as an initiative to protect children, a favorite theme of his administration.

In this case, he cited especially the asthmatics who are most at risk from exposure to ozone and small particles of soot, two common pollutants caused by the burning of fossil fuels.

"I approved some very strong new regulations today that will be somewhat controversial, but I think kids ought to be healthy," Mr. Clinton said at a conference on families at which Vice President Gore was the host.

The administration's decision on air quality rules faced an enormous campaign of opposition by industry and determined support by environmentalists.

"The final product, I am delighted to say, is a major step forward for protecting the public health of the people

of this country," said Ms. Browner, whose adamant defense of the proposals was described by her backers as courageous and principled, but by her detractors as stubborn and close-minded.

These new standards will provide new health protections to 125 million Americans, including 35 million children.

She spoke at a White House briefing that included several officials who have argued for weeks over the rules.

Those millions of people, officials of the Environmental Protection Agency said, live in hundreds of counties that eventually will have to impose new pollution control measures to meet the new standards.

The Environmental Protection Agency has claimed, based on epidemiological studies, that 15,000 people die every year of exposure to these pollutants, especially the fine sooty particles. And the agency expects that hundreds of thousands of acute asthma attacks can be avoided each year, since smog often triggers breathing difficulties in children with the disease.

Under the Clean Air Act, the agency must set health-based standards for air quality without regard to expense.

States where the air violates the standards must then impose pollution controls that can cost industries billions of dollars and inconvenience motorists.

The drive to tighten standards touched off a massive lobbying campaign for two years, led by automakers, electric utilities, fuel suppliers and manufacturers.

Although the final rules are not quite as aggressive as the version that was first proposed, they are nonetheless a milestone in the long struggle against unhealthy air.

The last time the ozone standard was changed, nearly 20 years ago, it was weakened.

The tiniest particles of sooty chemicals, so small that they lodge deep in the lungs, were not controlled under the Clean Air Act before.

# Kids! They're As Bad as You Thought

## And Not Just Teenagers, Says Survey That Points a Finger at Parents

By Megan Rosenfeld  
Washington Post Service

WASHINGTON — Children, especially teenagers, are increasingly lacking in moral and ethical values, according to a survey, and their parents are largely but not solely to blame.

The main problem is an absence of basics such as honesty, self-discipline and a work ethic, respondents said, and they did not think government programs could provide the remedy.

The survey, financed by the Ronald McDonald House Charities and the Advertising Council, was conducted by Public Agenda, a nonpartisan public opinion research organization in New York.

Acknowledging that the older generation has always thought that the young were doing poorly, the study's author, Steve Farkas, said that this research was particularly disturbing because adults now thought the consequences for the nation and for the children themselves were more dire.

He also said that the research showed that grown-ups believed problems begin at younger ages.

"It's no longer just teens in for this kind of criticism and disappointment, it's children age 5 and up," Mr. Farkas

said Wednesday. Nearly all of the adults (81 percent) thought that being a parent today was harder than ever before.

Being a child is harder, too, according to 83 percent of the children surveyed. Adults had similar responses regardless of age, race, sex or economic or parental status.

Teenagers are "rude, irresponsible and wild" and have too much time on their hands, their elders said, and only a few are seen as "helpful" or "smart."

Teenagers themselves felt they were generally happy and had good relationships with the adults in their lives, but 41 percent of them said that they "see people using drugs or alcohol every day or almost every day."

Thirty-three percent said that there were no adults at home when they returned from school, and 6 in 10 said that other teenagers paid too much attention to their appearance.

But 65 percent of the teenagers surveyed said they got "a compliment or encouraging word from adults every day or almost every day."

Just as many reported that a belief in God was "an important part of my life."

Children younger than teenagers are seen by adults as spoiled and disrespectful, indulged with material goods by

guilty parents who do not spend enough time with them and do not enforce basic standards.

Nearly a third thought "it's very common for children to be out of control in public areas such as restaurants or the movies."

Nearly all adults surveyed said that the value vacuum applied to children from all kinds of backgrounds, not just those considered to be "disadvantaged."

But if parents were generally blamed for this state of affairs, it was with sympathy and within the context of a world with failing public schools, spreading crime, degrading popular culture, demanding jobs and changing expectations.

Parents and teachers alike felt their authority had been undermined sometimes by each other — and that the threat of legal action had severely diminished their ability to discipline children.

The findings were based on two telephone surveys, one of 2,000 randomly selected adults and the other of 600 children aged 12 to 17. In addition, researchers conducted six focus groups across the country and dozens of follow-up interviews. The margin of error was plus or minus 2 percent.

# Clinton Sex Life Not Target, Prosecutor Says

New York Times Service

WASHINGTON — Kenneth Starr, the independent counsel investigating the Whitewater affair, has denied a published report that his office was examining the personal life of President Bill Clinton while he was governor of Arkansas.

In a statement, Mr. Starr called "incorrect" a Washington Post article that said he was investigating Mr. Clinton's sex life.

"Through experienced

prosecutors and agents, this office has used and will continue to use well-accepted law-enforcement methods to gather and evaluate such facts," Mr. Starr said. "That process traditionally includes seeking to identify and ex-

amine witnesses with whom the subjects of this investigation have been associated, and who therefore may possess relevant factual information. We have no control over who those persons might or might not be."

# President Dumps Olympic Champ for Donor

By Charles R. Babcock  
Washington Post Service

WASHINGTON — President Bill Clinton's intention to appoint a California bodybuilder who gave \$100,000 to the Democratic National Committee last year to the President's Council on Physical Fitness and Sports has run into a complication.

To make room on the 20-member council for Jake Steinfeld, the White House personnel director, Robert Nash,

sent a letter early this month to Florence Griffith Joyner, co-chairwoman of the council and an Olympic champion, thanking her for her service and removing her from her post.

Mr. Steinfeld is also known as Body by Jake.

Ms. Griffith Joyner was not pleased. She said that she did not consider a letter from Mr. Nash to be adequate notice.

"I was appointed by the president and expect to be informed by the president," she said. "I'm very upset this action was

taken without talking to me. As far as I am concerned I am still co-chair of the council."

The panel advises the president and the secretary of health and human services on ways to encourage Americans to be more physically fit. Members serve without pay at the pleasure of the president with no set terms.

Mr. Steinfeld had not been an active political donor until he gave \$100,000 to the Democrats in four checks last August and September.

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## ASIA/PACIFIC

## Heaven or Hell: Divergent Visions of Hong Kong's Future

By Velisarios Kattoulas  
International Herald Tribune

HONG KONG — David Li and Lisa Mak could hardly be more different. Mr. Li heads the Bank of East Asia, and the way he tells it Hong Kong is a fairy tale city, thriving, safe and itching to make its mark on the 21st century.

Miss Mak sells toys for an American toy maker, shares a tiny apartment with four others and finds it hard to breathe because of the city's dirty air. Listen to her and the Hong Kong fairy tale becomes more like a nightmare.

When China takes control of Hong Kong next week, it will absorb a metropolis with a deep split between its rich and its middle and working classes.

Britain's colonial rulers and Hong Kong's hard-driving entrepreneurs

have applauded each other for turning this into one of the world's richest cities and fastest growing economies.

Yet for every person proud of Hong Kong's past successes, cashing in on its current prosperity and confident in its future, there is another who shares little of the happiness, wealth or optimism. To be sure, Hong Kong's middle and working classes have benefited from a half-century of dizzying economic growth. But they have also borne the brunt of its side effects, chronic housing shortages and debilitating air pollution, and few expect their lives to improve after Hong Kong returns to Chinese sovereignty at midnight Monday.

Recent polls underscore the split. One published this week by the Far Eastern Economic Review showed that more than 90 percent of business executives expect Hong Kong to continue

to prosper after it returns to China. By contrast, a University of Hong Kong poll published in March found that only one in two people were confident Hong Kong would continue to thrive. Four in ten believe problems, including housing shortages and air pollution, have increased in the past three years.

The only issue on which there is common ground among the rich and the poor is on civil liberties. Both groups fear China will trample on agreements to preserve Hong Kong's liberties for 50 years, but they think it will have little impact on Hong Kong's role as a city dedicated to business.

"We benefit greatly from our economic ties with the mainland," Mr. Li, chairman and chief executive of the Bank of East Asia Ltd., said. "Under the 'one country, two systems' formula, the opportunities are set to multiply. Those

opportunities are there for the whole world to take." He was referring to the agreement under which Hong Kong will remain largely independent for 50 years.

Mr. Li, also a member of the outgoing British Legislative Council and of the incoming provisional legislature that will replace it, has good reason to be confident. From his office in central Hong Kong and his home in the exclusive Peak district he has a dazzling view of the skyscrapers along the city's waterfront, beacons of its prosperity and future promise.

In contrast, Miss Mak shares a 300-square-foot (28-square-meter) apartment with her mother, father and two sisters. The view is of a concrete apartment block opposite and of a road below on which the rumble of traffic never fades.

Miss Mak, 25, sells toys for the Hong Kong arm of Mamei Inc., and takes home about 17,000 Hong Kong dollars (\$2,200) a month, in line with average per capita income of \$24,500 in 1996. But soaring real estate prices, which rose by more than one-third in 1996 and may well be the highest in the world, mean that she has no choice but to continue to share a bedroom with her two sisters, one 23, the other 27.

"The middle class like us cannot afford to buy apartments, never," she said. "We don't have any personal space and have different lifestyles. We end up fighting all the time."

Tung Chee-hwa, who will become Hong Kong's chief executive after its return to China on Tuesday, says housing is his top priority. He fears the high costs could deter foreign companies from investing here and that cramped living conditions could undermine local productivity. Aides have prepared a report on what might be done, but it has not yet been made public.

The government has said that the 150,000 people on waiting lists for public housing could wait for up to seven years. Moreover, Hong Kong has virtually no undeveloped land and its population is rising. Demand for apartments from wealthy Chinese from the mainland continues to outstrip supply, pushing prices ever higher.

Pollution is another of Miss Mak's concerns. She now says she finds it difficult to breathe in the city, where layers of pollution are clearly visible. Hong Kong's 150,000 diesel-engined taxis, buses and trucks are the main culprits. Although emission rules exist, there is little in the way of enforcement and no regular emission and maintenance checks are required for cars.

There are no comprehensive statistics on the extent of the air pollution problem, but anecdotal evidence suggests that Hong Kong's children have been hit hardest. Some school nurses say as many as half the children they oversee have breathing difficulties.

Shiela Lui, 12, speaks in a wheezy voice you can barely hear. Two years ago, she became ill with a type of bronchitis her doctor said was caused by air pollution. It took nearly a year to clear and in the meantime she developed asthma.

In recent years, the government has boosted spending on the environment by 60 percent. But to boost trade, the Hong Kong government plans to double the size of the city's port, already the world's second largest, over the next 10 years.

As a result, the government expects the number of fume-belching trucks that serve the port to more than double and has forecast a 50 percent drop in air quality by 2011.

Chinese Dissident  
Beaten in Prison,  
His Family Says

Agence France-Press

BEIJING — The family of China's best-known dissident, Wei Jingsheng, said Thursday that he had been severely beaten by other prison inmates.

"We went to see him on June 19. He told us he had been beaten up by his cell mates while prison authorities looked on indifferently," his sister, Wei Ling, said.

"He also told us it was not the first time this had happened to him, but that this time he was severely beaten up," she said.

Mr. Wei, 47, is serving a 14-year prison sentence in Tangshan, 120 kilometers (75 miles) east of Beijing.

The New York-based organization Human Rights in China said the inmates who beat Mr. Wei had been rewarded by having their sentences shortened.

That report could not be independently confirmed. The prison authorities in Hebei Province, in which Tangshan is situated, declined to comment on the accusations Thursday.

Mr. Wei was arrested for the first time in March 1979 and later jailed for 15 years for calling for democracy and condemning Deng Xiaoping. Freed six months early in 1993, he was detained again in April 1994 and held in secret for 17 months before being jailed again for 14 years for subversion.

He is reported to be suffering from heart trouble.

Torture Accusations Cloud  
East Timor Rebel's Death

Compiled by Our Staff From Dispatches

JAKARTA — The second in command of East Timor rebels has been killed in a clash with Indonesian troops, a senior army officer said Thursday, but the circumstances of the death were in dispute.

Troops surrounded the rebel leader, David Alex, and five followers in the home of a villager Wednesday in the town of Baucau, 130 kilometers (80 miles) east of Dili, the East Timor capital. Mr. Alex was shot in the right thigh and hand in the ensuing firefight, said Colonel Sidabutar, the military commander in the former Portuguese colony where separatist rebels have been fighting Indonesian rule for 22 years.

In Lisbon, a rebel spokesman, Roque Rodrigues, claimed that Mr. Alex was only slightly wounded in the firefight and later died during torture at the Indonesian military hospital in Dili. He cited sources in Dili, but said they could not be identified because of fears for their safety.

Mr. Rodrigues's version was flatly denied by Colonel Sidabutar. "He was bleeding profusely, his arteries were severely damaged and we could not save his life," Colonel Sidabutar said in a telephone interview, referring to Mr. Alex. "We took him back by helicopter to the military hospital in Dili to save his life because we needed him to tell us about those still in the mountains."

"It's not true that he died while in

custody, but he died while he was being treated and was receiving a blood transfusion," Colonel Sidabutar said.

Australian supporters of the rebel movement urged Australia's ambassador to Jakarta to begin an investigation into Mr. Alex's death. The ambassador, John McCarthy, has been on a fact-finding mission in East Timor this week.

Amnesty International, the human-rights group, has said that torture or ill-treatment of political detainees in East Timor in both police and military custody was routine.

Colonel Sidabutar said Mr. Alex was first rushed to the general hospital in Baucau, which turned out not to have the facilities needed to treat him.

Colonel Sidabutar said the five people captured with Mr. Alex included a rebel who killed a soldier in Baucau last October and a student of the University of East Timor who was recruited by Mr. Alex last year.

Indonesia invaded East Timor in 1975 and annexed it the following year. Since then, it has been trying to curb sporadic independence activities.

Rebel activity has intensified since Indonesian national elections last month. According to estimates, as many as 42 soldiers, police, civilians and rebels have been killed in a series of attacks by rebels since May. Mr. Alex was the highest ranking East Timorese guerrilla captured since 1992.

(AP, AFP, Reuters)



Members of the Democratic Alliance for the Betterment of Hong Kong demonstrating Thursday outside the colony's Legislative Council, urging the outgoing government to impose rent controls on public housing.

## BRIEFLY

## 7 Die in Philippines Abduction

COTABATO, Philippines — Muslim separatists kidnapped 60 bus passengers Thursday, but most escaped after the rebels were attacked by government troops. At least seven people died in the fighting.

The dead included two civilians, four rebels and an army officer, the military said.

Clashes have erupted recently in the worst fighting since the government and the rebel Moro Islamic Liberation Front began peace talks in January. The rebels are fighting for a separate Muslim state in the south.

Officials said about 150 rebels set up a roadblock in Maguindanao Province and seized 60 passengers from two buses. Government troops chased the rebels to the town of Kabacan in nearby North Cotabato Province, where the rebels blocked another highway before the battle ensued. The police said 41 hostages escaped. (AP)

## India Opens Chemical Facilities

NEW DELHI — India opened its chemical weapons to international inspection for the first time Thursday, saying the monitoring would not compromise its security or hurt its chemical industry. India was one of the original signatories of the Chemical Weapons Convention, which went into effect on April 29.

"Now that the convention has come into force which collectively aims to eliminate such weapons, India has declared without any reservation all such materials in stock, production and storage facilities, which will be open to international expert inspection at any time," the Foreign Ministry said. (Reuters)

## Tokyo Protests Firing on Boat

TOKYO — Japan demanded Thursday that Moscow investigate whether it was the Russian Coast Guard that shot two Japanese fishermen near the disputed Kuril Islands. "Shooting at an unarmed private fishing boat is intolerable under any circumstances," the Foreign Ministry said in a statement delivered to the Russian Embassy.

The 4.7-ton Eiko-maru No. 63 came under fire Wednesday night off the northern Habomai group of islands, which are controlled by Russia but claimed by Japan, a Foreign Ministry official said. Interfax quoted Russian border officials as saying that a Russian patrol had fired in the air. (AP)

## Japan Hospital Meal Fells 58

TOKYO — Government officials said Thursday that 58 people at a hospital in western Japan had been infected with a strain of the E. coli bacteria responsible for a rash of food-poisoning deaths last year.

Those infected include 41 student nurses, 16 patients and one other staff member at Okayama Rosai Hospital, who all ate the same meal Monday, a city official in Okayama said. (Reuters)

## Crackdown in Muslim Region

## Chinese Authorities Arrest 40 for Religious Activity

Reuters

BEIJING — China has dismissed 260 local officials and cracked down on underground religious activities in a northwestern Muslim region where anti-Chinese riots in February left nine people dead, state media have said.

About 40 participants in "illegal religious activities" were arrested, the Xinjiang Daily reported in last Saturday's edition, which reached Beijing on Thursday. It gave no details.

"Illegal religious activities were cleaned up in Yili district, village by village, hamlet by hamlet," the paper said.

The crackdown affected 35 Communist Party bosses of villages and towns in the Yili district of the Xinjiang region, and 19 village mayors or factory managers, the paper said.

The authorities cracked down on underground religious activities, stopping the unauthorized construction or renovation of 133 mosques, the paper said.

Yili district, it said, "has dealt a blow to key ethnic separatists, violent terrorists and religious extremist leaders."

The authorities broke up 105 illegal classes teaching the Koran and dispersed 499 students, it said.

The police force was increased by 459 officers and the militias in villages were increased by 266, the paper said.

Five pro-independence school officials were dismissed, it said, adding that teachers would face dismissal for stirring up separatist sentiment.

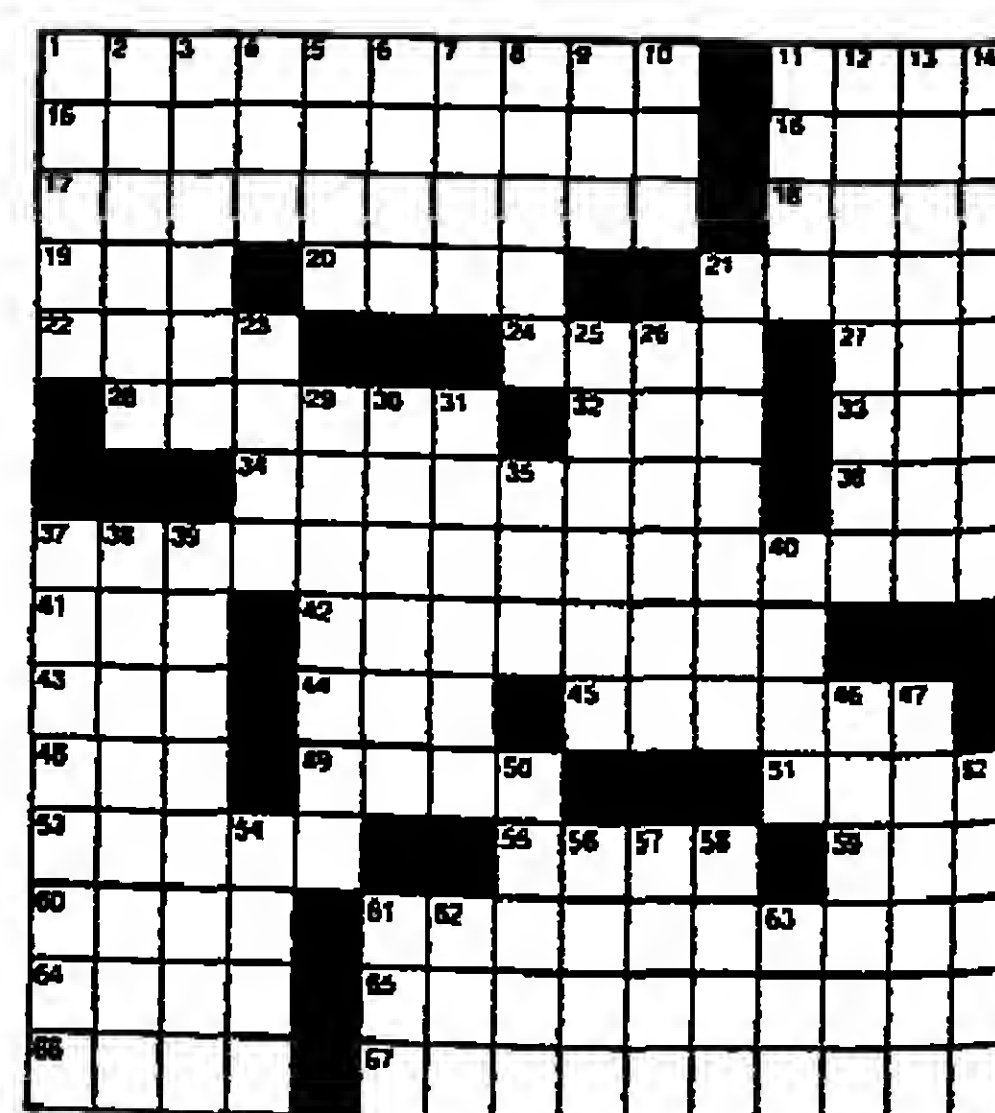
Riots in Yili on Feb. 5, which began as demonstrations for Xinjiang independence, left 9 people dead and 198 injured. The authorities executed three rioters in April and police officers opened fire on a mob trying to rescue death-row convicts, killing two people.

Turkic-speaking militants of the ethnic Uighur minority want to set up an independent East Turkistan in Xinjiang.

## CROSSWORD

**ACROSS**

- Some clauses
- Pond dross
- College in 1995 headlines
- Account
- Unconventional ideas
- Kennedy Center locus
- Fine and dandy
- On - with
- French crowd?
- Slobodan Milosevic, e.g.
- Like the surface of Mars
- John's "Pulp Fiction" co-star
- Shocked
- Chest muscle
- What exists may do
- Total
- Summer abroad
- Adoms serving as starting points
- What I may mean
- "The Joy of Cooking" author
- Mail abbr.
- Smile center
- Wound
- Date for Dizzy
- Spanish novelist who won a Nobel
- 1980's police comedy
- Language that gave us "kayak"
- Polish export
- Speck
- Amputee's kin
- Site of the Woodrow Wilson Sch. of Public and Intl. Affairs
- Basic French verb
- Preserved oral history, e.g.
- Jazz drummer
- Callert at al
- Exams
- Greek character?
- Show of support
- Foreign currency
- The rest
- One with perfect pitch?
- Foreign currency
- Over
- "Therel"
- Omics is the study of these
- Sergeant Preston's horse
- Rocky, really
- Antares, for one
- "If I Loved You" musical
- 13 Eventual
- E-mail
- Computer experts, e.g.
- They may be made in clubs
- French cry on the Mosele
- Deliver
- Take away
- Hom m (on)
- Standard
- Canadian pol. party
- Excuses
- Q45, e.g.
- 60's militant
- dieu
- High, in a way
- Midday event
- They have low pH's
- Harness
- Meat slights
- "Get —"
- (boss's order)
- 1988 film "Rent" —
- "— joy keep you", Sandburg
- Herb of grace
- Keep time



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## Solution to Puzzle of June 26

PRE AROR GABLE  
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ICOMEFROM WHOSE  
LALAW MAG KEN  
SPIRIT MENACE  
PATTENED SAVOIR  
IWO GRAYV EVE  
JESTS BEATENED  
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## EUROPE

# Amsterdam Treaty Scorned as 'Mediocre'

## Even EU Leaders Concede Their Work Could Slow Growth Into East Europe

By Tom Buerkle  
International Herald Tribune

BRUSSELS — Acknowledging harsh criticism of their just concluded Treaty of Amsterdam, some European Union leaders described their own handiwork on Thursday as a "mediocre" result that could delay the bloc's enlargement into Eastern Europe.

The treaty also faced a sudden challenge from Austria on Thursday when Foreign Minister Wolfgang Schuessel threatened to withhold his country's ratification of the document unless Austria was admitted to the so-called Schengen group of Continental countries, which have abolished common border controls.

The developments highlighted the sour political climate in Europe caused by a resurgence of old national rivalries and the mounting pressures of near-record unemployment.

The mood was underscored in an unusual display of candor by Wim Kok, the Dutch prime minister, who led the final treaty negotiations among EU leaders in Amsterdam last week.

Addressing the European Parliament here on the result, Mr. Kok heard members from all political parties criticize the treaty as lacking in ambition and failing to resolve key institutional issues of power-sharing and national vetoes, which already stymie EU decision-making in many instances.

"I can agree with all the criticism that was leveled here today," Mr. Kok replied. "This may sound pathetic but I am admitting it."

In failing to meet the leaders' self-declared goal of preparing the EU to take in former Warsaw Pact countries, Mr. Kok conceded, the treaty was "probably a faithful reflection of the extent to which the member states are willing to make reforms."

Jacques Santer, president of the European Commission, told the Parliament he was frustrated by the "mediocre" outcome of the treaty negotiations.

"I do not think this augurs well for enlargement," Mr. Santer said. "I do not want to see a situation whereby on the eve of enlargement we are forced to say to our future members, 'You have done everything to prepare yourselves for entering the EU. Unfortunately the EU hasn't been able to get ready to

receive you.'" The two leaders did find praise for the treaty's modest accomplishments, including greater cooperation on employment policy and an extension of the European Parliament's legislative powers.

The latter step in particular was welcomed by members and appeared to ensure that they would ratify the treaty.

But the bleak assessment about enlargement foreshadowed a chilly meeting on Friday when Mr. Santer and Mr. Kok will meet with prime ministers from the 10 East European countries, Cyprus and Turkey to tell them what the new treaty means for their membership aspirations.

The commission next month will give its opinion on which countries are ready to open membership negotiations, and actual talks are supposed to begin in January.

In theory, the Amsterdam treaty allows as many as five new members to join the Union sometime after the year 2000.

But in practice, the open fight in Amsterdam between big and small countries over voting rights and opposition from Germany and others to any surrender of national veto power over immigration, borders and other sensitive policy areas, has cast serious doubt on the timetable.

Mr. Santer and Mr. Kok said those issues would have to be resolved before taking in new members, but they were unable to specify how EU countries would overcome their resistance to basic reforms.

Austria's border problem provided a timely example. For two years, the Vienna government has promised to enter the Schengen zone this October, allowing citizens to pass freely into Germany as one of the most-tangible benefits of EU membership.

But at a meeting of Schengen countries in Lisbon on Tuesday, German officials said they would consider only a gradual lifting of border controls beginning in 1998.

Bonn's real problem is not Austria but Italy, which is also knocking on the Schengen door, EU officials said.

Italy has been unable to control illegal immigration from North Africa and Albania, stirring fierce opposition in the German state of Bavaria to lifting of border controls, officials said.



Britain's secretary for Northern Ireland, Marjorie Mowlam, saying Thursday that she would be holding talks with Protestants and Catholics about sectarian marches. But in a setback to Prime Minister Tony Blair's peace initiative, Peter Robinson warned that his Democratic Unionist Party would walk out of talks if Sinn Fein were allowed to attend.

## Ahern Takes Over in Ireland

The Associated Press

DUBLIN — Bertie Ahern, the Fianna Fail leader known for his public charm and backroom cunning, was elected prime minister Thursday to head a vulnerable minority government.

The 45-year-old accountant will head a government along with his small coalition partner, the Progressive Democrats, led by Mary Harney.

Mr. Ahern won 85 votes in the 166-seat Dail, Ireland's key lawmaking chamber of Parliament, relying on critical support from three maverick lawmakers to get him over the 83 required for a majority.

Mr. Ahern also got a vote from Caoimhghin O Caolain, the first member of the modern Sinn Fein party ever to win and take his seat in the Dail. Mr. O Caolain said Mr. Ahern had "a positive disposition" toward helping his IRA-supporting party enter negotiations on the future of British-ruled Northern Ireland.

Mr. Ahern's Fianna Fail party, traditionally the largest in Irish politics, won 77 seats in the June 6 national election.

The three-party "rainbow coalition" of departing Prime Minister John Bruton fared too poorly for him to retain power.

Lawmakers had first rejected Mr. Bruton on a 75 to 87 vote. He was gracious in a defeat that he and everyone else saw coming.

Mr. Bruton said Mr. Ahern "brings to high office a personality that will help him, I know, in working with colleagues and conducting the business of government in a fair and decent way." He added, "I wish him exceptional good fortune in the job."

Mr. O Caolain was accompanied by the leaders of Sinn Fein, Gerry Adams and Martin McGuinness, who last month won two of Northern Ireland's 18 seats in the British Parliament. They watched events from the public gallery above.

Mr. Bruton's departing justice minister, Nora Owen, said she hoped Mr. O Caolain's direct participation in southern politics would encourage the Sinn Fein-IRA movement to call a "permanent" cease-fire as the price for participating in democracy.

She noted that the IRA had not killed anyone in the run-up to the vote, but then killed two Protestant policemen on June 16.

"Caoimhghin O Caolain wouldn't have his seat today if those murders had been carried out before the election," Miss Owen said. "We do want people to take their place in democratic politics. But they now cannot say they are not part of the system."

Mr. Ahern headed across town for the official Phoenix Park residence of President Mary Robinson for official recognition as Ireland's new "taoiseach," the formal title for prime minister that means "chief" in Gaelic. A debate on Mr. Ahern's cabinet appointees was expected to follow.

Mr. Ahern will need all his diplomat's skills to manage his minority government, which includes four members of the rightist Progressive Democrats, whose leader, Ms. Harney, is expected to be appointed deputy prime minister.

It also will require support in close votes from at least two of the independents who voted Thursday for Mr. Ahern.

## BRIEFLY

### Turks Shape Secular Cabinet

ANKARA — A Turkish secularist government began to take shape Thursday, although it still lacking the parliamentary strength needed to prevent pro-Islamist opponents killing it off at birth.

Mesut Yilmaz, the prime minister-designate, said he had appointed Bulent Ecevit, a staunchly anti-Islamist politician, as his deputy and had received presidential backing for his left-right alliance.

"The president told me he would approve a government with the support of four parties," he said at a press conference. Mr. Yilmaz, leader of the Motherland Party, has the backing of three other party leaders.

He is to present a cabinet list next week to President Suleyman Demirel, who has to approve it for Mr. Yilmaz to go to a confidence vote in Parliament. (Reuters)

### McDonald's Buys British Beef

LONDON — McDonald's lifted its 15-month ban on British beef Thursday and said that consumer research indicated that its customers appeared to be overcoming fears of "mad cow" disease.

"We will begin buying British beef immediately and the new supplies will start to be served in restaurants over the next few weeks," the chain's managing director, Andrew Taylor, said after meeting with Agriculture Minister Jack Cunningham. McDonald's has 760 outlets in Britain.

McDonald's, which had been spending more than \$22.5 million (\$37.5 million) a year on British beef, stopped using it in March 1996 after the government announced a possible connection between a fatal brain disease in humans and meat from cows infected with bovine spongiform encephalopathy. (AP)

### Notre Dame Rite for Cousteau

PARIS — A funeral service for Jacques-Yves Cousteau will be held Monday in Notre Dame Cathedral and the underwater explorer, who died Wednesday in Paris at age 87, will be buried in his native Bordeaux region.

President Jacques Chirac of France said he would attend the funeral, and tributes poured in from heads of state as well as from children around the world, according to Francine Cousteau, the oceanographer's widow.

President Bill Clinton hailed Mr. Cousteau as a man of "rare insight and extraordinary spirit" who "enabled mankind to truly become part of the sea and the creatures that live there" by helping to invent scuba gear and creating the first one-person submarine. (Reuters)

### U.S. Church Loses in Germany

BERLIN — A German court ruled Thursday that the Church of the Jehovah's Witnesses would not be granted the status of a public body because it forbids its members from taking part in political elections.

Public body status would have allowed the U.S.-founded Christian sect to benefit from centrally collected tax revenues, to conduct prison visits and to demand representation on the advisory panels of broadcasters.

The Federal Administrative Court ruled that the church's refusal to acknowledge public elections meant it could not be viewed as showing sufficient support for the German state for it to receive full recognition.

The church has been established in Germany for about 100 years and it claims to have a German membership of more than 190,000. (Reuters)

## Albania Set to Vote Despite Violence

By Jonathan C. Randal  
Washington Post Service

TIRANA, Albania — Sporadic violence has erupted again in southern Albania as this volatile nation prepares for Sunday's parliamentary elections, a vote designed to return stability to Europe's poorest country after four months of anarchy.

Albanians and Western officials helping to organize the elections say they are intent on keeping the vote on track despite the outbreak of factional fighting in the southern part of Vlore.

[Albania's chaotic south slid deeper into anarchy on Thursday as the country's finance minister narrowly escaped from a gunbattle in Vlore, Reuters reported.]

[Arben Malaj] was forced to take shelter in a nearby seaside hotel after rival warlords exchanged gunfire during an election rally held in the town's dilapidated sports palace, which was later set on fire. A statement by the Italian-led international protection force said two platoons and two armored personnel carriers were dispatched to evacuate civilians from the smoldering building.]

The determination to go ahead with the elections reflects a sense of fragile confidence gained gradually as Albania has moved from wholesale chaos toward Sunday's ballot. That confidence has been shored up lately as the International Monetary Fund and World Bank moved to instigate financial stabilization measures here, while competing political factions reached agreement on government checks and balances and voting procedures.

But in this notoriously unpredictable Balkan country such progress could easily dissolve. In fact, the country's 3 million inhabitants seem to be holding their breaths until the final votes are counted; that, according to diplomats and analysts here, is when disappointed partisans of either President Sali Berisha or his Socialist rival, Fatos Nano, may decide to resume hostilities.

Equally worried are the Italian military commanders leading the nine-nation, 500-member peacekeeping force here, as well as officials of the 34-nation Organization for Security and Cooperation in Europe, which is

monitoring the elections. Albania, with its legacy of 500 years of Ottoman rule, a half-century of eccentric Stalinist communism and a tradition of vendettas, "is not a gentle land," said a Western official here. "Even if the election comes off fairly smoothly, what happens after is going to be much more difficult."

That is political shorthand for concern that Albania may be heading straight toward renewed large-scale violence, and even civil war, if Mr. Berisha's Democrats defy the odds and win the election fairly or claim victory through fraud, as their adversaries fear.

Both sides predict outright victory. The Democrats claiming "more than 50 percent" of the electorate, and Mr. Nano's Socialists declaring they are sure of "all but 10 to 15 percent" of the vote.

Political rallies, often sparsely attended for fear of violence, typically have been occasions for little more than sloganeering and accusations of wrongdoing by the opposing side.

Tensions boiled over this week in Vlore. It was in that city that thousands of anti-

Berisha Albanians, angered by the collapse of government-condoned get-rich-quick schemes, sparked the violence that engulfed the country in March. But unlike the random, nationwide banditry of those weeks, the new violence in Vlore appears to be unmistakably political.

One armed faction with indirect ties to Mr. Berisha's

party put up posters warning residents to leave their homes in the city.

Such efforts to prevent anti-Berisha southerners from voting are taking place in plain view of troops of the Italian-led peacekeeping force, which has defined its mission largely as providing protective cover for the distribution of international humanitarian aid.

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## 1997 • PARIS EUROPLACE INTERNATIONAL FINANCIAL FORUM

### TUESDAY, JULY 8 - MORNING

OPENING ADDRESS  
ERNEST-ANTOINE SEILLÈRE, Chairman, Paris EUROPLACE

THE SCENARIO FOR THE SWITCHOVER TO THE SINGLE CURRENCY  
JEAN-CLAUDE TRICHEL, Governor, Banque de France

ROUND TABLE - THE NEW OFFERINGS OF THE PARIS FINANCIAL MARKETS WITH THE EURO

JEAN LEMERRE, Director, French Treasury  
GERARD PRUNADEL, Chairman and CEO, Matif SA  
ROSEMARY SAGAR, Managing Director, US Trust Company of New York  
IAN SAUNDERS, Deputy Chairman, Robert Fleming Asset Management Ltd  
JEAN-FRANÇOIS THÉODORE, Chairman and CEO, SBF-Paris Bourse

ROUND TABLE - EMU: PLAYERS GET READY

Panel:  
JACQUES CHEYSSÉ, General Manager, CNPF  
ALAIN LÉCLAIR, Chairman, AFG-ASFF  
PIERRE SIMON, General Manager, AFCEI  
Moderator:  
Karen Horn, Correspondent, Frankfurter Allgemeine Zeitung

ROUND TABLE - FRENCH FINANCIAL MARKETS ADAPTED TO INTERNATIONAL STANDARDS

Panel:  
ANDREW CLEARFIELD, Vice President, TIAA-CREF  
BERTRAND COLLOMB, Chairman, Lafarge  
JEAN-RENÉ FOURTOUT, Chairman and CEO, Rhône-Poulenc  
GERARD DE LA MARTINIÈRE, Senior Executive, Vice President, AXA-IAP  
ROBIN RENWICK, Holding Board Director, Robert Fleming Asset Management Ltd  
Moderator:  
Jonathan Gage, Business and Finance Editor, International Herald Tribune

LUNCH

Address by DOMINIQUE STRAUSS-KAHN, French Minister of Economy and Finance

### TUESDAY, JULY 8 - AFTERNOON

PRESENTATION OF BANKS  
PHILIPPE BORDENAVE, General Manager, Market Operations Department, BNP  
HENRI CUKERMAN, Chairman, CPR  
SAMU GOTTFRED, Financial Analyst, EIFB  
MARK POLL, Chief of Capital Markets Department, Crédit Lyonnais  
HERVÉ SAINT-SAUVEUR, CEO, Société Générale

VENTURE CAPITAL

WALTER BUTLER, Chairman, Butler Capital Partners  
EMMANUEL HARLÉ, Managing Director, Morgan Grenfell Investment  
ERIC LACROS, Chairman, AFG  
PATRICK POUPON, Chairman and CEO, Natwest Securities France

THE IMPACT OF GLOBALIZATION ON INSURANCE COMPANIES

LOIS RUCKS, Allied Signal  
ORIO GUARDI, Secretary General, the Geneva Association  
EDWARD KNEBEL, Bavaria Wirtschaftsgesellschaft  
JEAN-HERVÉ LORENZ, General Manager, GRS Savoye  
CHRISTIAN ROCHETEAU, Chairman and CEO, AON France

PRESENTATION OF REAL ESTATE BUSINESSES

ALAIN BONIN, CEO, Unibail  
ALEX EMMOTT, Chairman Adviser, Foncière Lyonnaise  
JEAN-PIERRE PLATZER, CEO, Sile  
PHILIPPE TANNENBAUM, Financial Analyst, CPR Finance

DEBATE WITH INSURERS AND REINSURERS

JEAN ARVIS, Chairman, Fédération Française des Sociétés d'Assurances  
DOMINIQUE BAZY, Chairman, Allianz Assurances  
PIERRE-DENIS CHAMPVILLARD, General Manager, Sor Re  
GUY LALLOU, Manager, Commercial Lines International Development Division, AGF  
CHARLES-FRANÇOIS WALCKENBERG, Chairman and CEO, AXA Global Risks

### WEDNESDAY, JULY 9 - MORNING

ROUND TABLE - THE FRENCH ECONOMY IN VIEW OF EMU  
PATRICK ARVIS, Chief Economist, Caisse des Dépôts et Consignations  
JOHN LLEWELLYN-LLOYD, Global Chief Economist, Lehman Brothers

PRESENTATION OF PHARMACEUTICAL BUSINESSES

PASCAL BRANDIS, CEO, Genentech  
IAN BROADHURST, Financial Analyst, BNP Equities  
IGOR LANDAU, President, Rhône-Poulenc  
MAX ROMEI, CEO, Arthroparma

THE BOND MARKET SWITCHOVER TO THE EURO

SERGE HARRY, Secretary General, Sicaum SA  
DOMINIQUE HOENI, Member of the Board, Banque Paribas  
NICOLAS JACHET, Assistant Director of Monetary and Banking Affairs, French Treasury  
ELISABETH PAULY, Head of Capital Markets Division, Banque de France

PRESENTATION OF TELECOMMUNICATIONS, ELECTRICAL AND ELECTRONICS BUSINESSES

CLAUDE COCCOZZA, Chairman and CEO, Carbone Lorraine  
PIERRE DAVILLANNE, Group Executive Vice President, France Télécom  
FRANÇOIS CHAPOTTE, Chairman and CEO, Legrand  
FRANÇOIS TRAVAILLE, Financial Analyst, BNP Equities

THE ATTRACTIVENESS OF FRENCH TREASURY SECURITIES WITH THE ADVENT OF THE EURO (CASH, REPO AND DERIVATIVES)

JÜRGEN BRÜCKNER, Senior Portfolio Manager, Deutsche Bank Asset Management  
JEAN-DANIEL COHEN, President of the Executive Board, Louis Dreyfus Finance  
JEAN-FRANÇOIS COMIL-LACOSTE, London Office Managing Director, Matif SA  
PHILIPPE GUYOT, Head of Fixed Income, CDC Marchés  
PIERRE LENDERS, Managing Director and Head of Markets, JP Morgan  
PHILIPPE LESPINARD, Partner, Fischer Francis Treas & Watts

### WEDNESDAY, JULY 9 - AFTERNOON

PRESENTATION OF MULTIMEDIA BUSINESSES

BRUNO BONNELL, President and CEO, Infogrammes Entertainment  
HERVÉ CAEN, Chairman, Titus Interactive  
YVES GUILLEMET, President, Ubi Soft Entertainment  
LAURENT MAIROT, Financial Analyst, Ferri

PRESENTATION OF DEBT INSTRUMENT ISSUERS

JACQUES BELLU, Head of Capital Markets, Crédit Local de France  
JEAN-CLAUDE BRÉSSON, Deputy Director Capital Markets, Banque Européenne d'Investissement  
FEDERICO FERRER DELSO, Deputy Head, Spanish Treasury  
THÉRY POREL, Financial Director, Fonds de Développement Social du Conseil de l'Europe

SUCCESS STORIES OF THE NOUVEAU MARCHÉ

DOMINIQUE LEBLANC, Deputy General Manager, Société du Nouveau Marché  
JEAN-PIERRE RENAUD, CFO, Pigeon  
JACQUES ROUVROY, Chairman and CEO, Belvédère  
BRUNO VANRY, Chairman and CEO, BVRP Software

SECURITIZATION

NICOLAS DAGOGNET, Deputy Head of International Securitization, Société Générale  
CATHERINE GERST, Vice President, Senior Analyst, Moody's France  
SERGE MARLÉ, Country Manager, FIC  
DENIS WALLERICH, Head of Securitization, Compagnie Bancaire

All the conferences will be held in Paris.

Simultaneous translation is provided in French and in English during the entire Forum.

Valérie Blanchin, Director of Communications, Paris EUROPLACE  
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# Herald International Tribune

## If Kabila Wants Help

The coming days will show what kind of ruler Congo's new president, Laurent Kabila, is likely to be. A United Nations team has arrived in the country to investigate reported massacres by Mr. Kabila's troops earlier this year. If Congolese officials cooperate with the investigation, as Mr. Kabila has assured the Clinton administration they will, Washington can put some faith in the new leader's other promises. These include an end to corruption, respect for human rights and eventual democratic elections.

If Mr. Kabila lets his lieutenants obstruct the investigation by denying the United Nations independent access to people and places, Washington should suspend the tentative support and promises of assistance it has offered the new government.

Mr. Kabila initially stirred high hopes by promising clean and law-abiding government after decades of corruption and brutality under his predecessor, Mobutu Sese Seko. But since he took full charge of Congo last month, disturbing reports of arbitrary rule and military brutality have emerged. These include credible accounts that Mr. Kabila's troops massacred thousands of Hutu refugees.

Earlier this month, President Bill

Clinton offered Mr. Kabila assistance in improving health and education, and American advice on planning a market economy and democratic elections. But Mr. Clinton's emissary, Bill Richardson, who is also Washington's UN delegate, made clear that American help depended on whether Mr. Kabila addressed human rights and refugee concerns and how quickly he moved toward democracy.

Last weekend a UN advance team arrived in Congo to establish ground rules for the investigation into the reported refugee massacres. The tone of its first meetings with Congolese officials has been cooperative. But specific details remain to be worked out.

Mr. Kabila must make sure that when a full UN team starts work it is free to interview people and conduct forensic tests in the areas where massacres may have taken place. Any soldiers found to have participated in massacres must be promptly prosecuted. Mr. Kabila must also see that UN refugee workers and the Red Cross are allowed access to all remaining refugees. He needs to start delivering on the humanitarian agenda raised by Mr. Richardson if he wants continued American support.

—THE NEW YORK TIMES.

## What's Libel Where?

Everybody talks about the global market and the rise of the global brand name, but some things remain stubbornly different from place to place, among them libel laws. That is the main message of the bizarre saga that came to an end last week in London, when McDonald's finally triumphed after spending most of a decade and \$26 million on a libel action against two anti-McDonald's pamphleteers.

The company declared itself satisfied that it had defended its good name against Dave Morris and Helen Steel, who had distributed leaflets accusing the burger chain of cultural imperialism, rain forest destruction, discrimination, food poisoning and many other unsavory things. McDonald's seemed not to mind the price tag, nor the vast attention it attracted to the charges against it as the case rose gradually to the level of high international theater.

Although funny, the tale has its serious side. Galloping international commerce and instant worldwide communications increasingly bring citizens of one nation into contact and sometimes conflict with other nations' laws. Once rare enough to be handled by treaties and embassies, this kind of collision is now close to commonplace. If you are an individual citizen of a single country, and a defendant — say, an American whose Web page has drawn the ire of foreign regulators — this can mean big trouble. On the other hand, if you are a multinational company, and a

plaintiff, such as McDonald's, it can mean the opportunity for what amounts to an exotic form of legal venue-shopping. If slinging McDonald's in print were grounds for an action of libel in the United States, we can think of whole academic disciplines that would be forced to shut up shop, not to mention nutritionists and those folks who keep describing all your favorite foods as containing "the equivalent of six Big Macs" in calories or fat.

But there are other reasons to be mindful of the great difference, emphasized by this case, between American free speech guarantees and the kind of constraints inherent in British libel law — in which corporations can sue individuals for defamation, and believing a statement to be true is no defense against a finding of libel if a judge rules that it was false.

The years-long London spectacle offered a demonstration of the benefits of the American brand of free speech absolutism to economic efficiency (not that American courts don't have their own problems in that regard). But it also shows the geographic boundaries of that much-taken-for-granted American right to criticize. As international distances get smaller and international companies get bigger, it is going to be harder and harder to predict what kind of rules those companies and their customers will be playing under on the inevitable occasions when they clash.

—THE WASHINGTON POST.

## Religion and the Law

In one of the most far-reaching decisions of this term, the Supreme Court on Wednesday struck down as an unconstitutional exercise of congressional power the Religious Freedom Restoration Act of 1993, which had broad public support in religious communities. The 1993 act was itself a response to a 1990 court ruling involving the religious use of peyote. That ruling had bolstered the power of states to enforce laws applying to everyone — zoning, drug control, taxes, prison regulations and the like — that might incidentally burden religious conduct.

To have ruled otherwise, the court said at that time, "would have produced an anomaly in the law, a constitutional right to ignore neutral laws of general applicability." Congress responded with the act, which in effect changed the meaning of the free-exercise clause of the First Amendment and restricted the power of the states.

The case the court decided this week started out as a zoning matter in which the Catholic archbishop of San Antonio challenged the right of the city of Boerne, Texas, to deny a building permit for a church in an area designated for historic preservation. But it became a much broader controversy almost immediately. The District Court judge went beyond the facts at issue and declared the entire act unconstitutional. The Supreme Court now agrees.

In recent years, Congress has tended to respond to every perceived problem with legislation. Without much

thought about the relationship between federal and state responsibilities, federal legislators want to regulate street crime, domestic violence and all kinds of activities that traditionally and constitutionally have been left to the states. The Supreme Court has begun to crack down on this expansionism.

In this case, however, the problem is not between the federal government and the states but between two of the three branches of the federal government. Here the court is saying that the power to interpret the constitution, to say what the free-exercise clause allows and what it prohibits, belongs to the courts, not the legislature. Congress cannot therefore overturn a Supreme Court ruling on a constitutional matter simply by passing a law.

This opinion will be unpopular. Religious groups want to be free of some of the often burdensome laws and regulations that states impose on everyone, and they believe that the constitution gives them that right. These groups are well organized and will be heard.

But the court's view is not unreasonable. The constitution divides the government's power, and the courts have the responsibility to keep those lines clear. One effect of the broad ruling is invalidation of RFRA. But in light of Justice John Paul Stevens' concurring reminder that the act granted preferences to religious groups that were unavailable to nonbelievers, the result is not unfair.

—THE WASHINGTON POST.

## The West Looks Away as Albania Disintegrates

By Misha Glenny

**TIRANA, Albania** — As the nightly curfew descends upon Tirana, the silence is broken by gunshots that soon develop into a cacophonous symphony played on Italian handguns, Chinese-made anti-aircraft weapons and everything in between.

The next morning, a dog scavenging for food is hit by one of the Mercedes that cruise the city's streets, Kalashnikovs hanging out the windows. The poor beast drags itself to the side of the road, squealing in anguish and terror.

None of the gun-toting men who have stopped to sip coffee nearby have the presence of mind or the energy to put the animal out of its misery. It is left to live its last few hours beside stinking garbage in excruciating pain.

Albania is not yet dead, but it is in agony. In parts of the country, the state has suffered what Albanians themselves are calling "meltdown."

In Vlore, the so-called rebel capital, three armed gangs fighting for the proceeds of drugs and gun smuggling have made themselves fat with weaponry and inhumanity. Their bloodthirsty competitiveness keeps the civilian population in a permanent state of terror.

In areas where President Sali Berisha's police are in control, Mercedes cars, Rolex watches and burgeoning shantytowns mark the obscene gulf between rich and poor. Politicians threaten each other with vengeance.

At least 1,500 people have been killed in political violence in the last three months. Every day during the

current election campaign, more die. In this atmosphere of fear, the notion that Sunday's elections can be either free or fair is preposterous.

In central Albania, the Italian-led peacekeeping force has declared two industrial centers, Cerrik and Gramsh, too dangerous to enter. No peacekeeping force, no election observers.

In the remote northeast, where Mr. Berisha's Socialist opponents fear to tread, the Organization for Security

**There are signs that the European Union is again proving hopelessly inadequate in its own backyard.**

and Cooperation in Europe has been forced to leave large gaps in its election monitoring work.

The OSCE is trying valiantly to salvage something from this disaster zone, but it has insufficient time and inadequate resources. It will have 450 observers at its disposal on Sunday to patrol 4,900 polling booths.

The 6,000 peacekeeping troops have been given a mandate by the UN Security Council that is so vague that

soldiers are forced to sit and look on as the country disintegrates.

Mr. Berisha and his supporters contend that the destabilization has been engineered by a demonic coalition of Communists, gangsters and unnamed foreign intelligence agencies. But Mr. Berisha and his party have been running the country with virtually limitless power for five years.

For the first three years of his rule, he received extensive diplomatic support from the United States. The Americans have now wisely distanced themselves from him, but he still enjoys considerable European backing, particularly in Italy but also in Austria and Germany.

This week he and the Socialists have been bickering over legislation to control the kinds of pyramid investment schemes that led to the chaos. The collapse of five such pyramids this year provoked widespread violence and wiped out an estimated \$1.2 billion of Albanians' savings.

The pyramid frenzy opened a large gap between haves and have-nots. In a country where there were no private cars until six years ago, thousands of Mercedes, castoffs from Europe's taxi ranks and vehicle-theft industry, stud Tirana's streets. Gangsters have seized upon the disruption, helping to create what a former official called "an economic miasma."

Taxes and customs duties are no longer collected. In the unlikely event that the elections confer some stability, it will take months of rigorous reform

to establish coherent economic and administrative institutions.

The situation has been complicated by the uneven response of the international community. The current American position of critical neutrality is without question preferable to the thinly disguised support that the United States once gave Mr. Berisha.

There are signs that the European Union is again proving hopelessly inadequate at dealing with a crisis in its own backyard. Some countries, like Britain, show not the slightest interest in this problem on Europe's southern tier.

Prime Minister Tony Blair has declared that next year's summit of the industrial democracies should focus on organized crime. Albania has become a fertile killing field, plowed and harvested by the most ruthless criminal organizations on the Continent. Italy and Greece are seriously engaged in Albania, but their approach is on occasion too partisan.

The people of Albania are suffering dreadfully. This may not be sufficient to persuade Europe to redouble its efforts in assisting Albania's return to normalcy. Mr. Blair now has a real opportunity to demonstrate his commitment to the fight against the international drug and gun cartels that are devastating one small country.

The writer, author of "The Fall of Yugoslavia," is preparing a book on Balkan nationalism. He contributed this column to The New York Times.

## Hong Kong: Watch Out for a New Chinese-Style Capitalism

By Philip Bowring

**HONG KONG** — As new realities arrive, the Chinese version of capitalism is looking like a bigger threat to Hong Kong than communism.

Liberals have, naturally, been concentrating their concerns about the future on new restrictive laws. Democrats have been bemoaning the erosion of representative government here and its impact on the democratic movement on the mainland.

But the fever for Red Chips — Hong Kong-listed shares with mainland control and predominantly mainland assets — suggests that an equal threat to Hong Kong is to the way business is done.

The Red Chip fever is based on insider manipulation of state assets. In other jurisdictions, many transactions would be described by one word: theft. Here, briefly, is how it works.

Mainlanders get control of a small, moribund Hong Kong company. This news immediately ensures that the price triples or more on the assumption of further action. The new interests, linked to a central government or provincial entity, promise injection of "cheap" assets. The shares rise further.

A new share issue follows, and with it promises of more cheap asset injections and sales creating instant profits to justify

sky-high price earnings ratios. Insiders — newly rich mainlanders and old-rich Hong Kong tycoons and investment bankers — get most of it. The rest is offered to the public and is oversubscribed a few hundred times.

Shares rise further. The game originates on the mainland but is orchestrated in Hong Kong. Foreign houses are eager participants. The brokers publish acres of twaddle about the miraculous combination of mainland growth opportunities and Hong Kong management.

Cardinals of inflated shares are unloaded onto naive, greedy or opportunistic young managers of Western pension funds.

One of two things will now happen. Individual Red Chips will collapse, as most previous China plays have done, but the game will continue. The problem for Hong Kong is that it is so easy for those controlling enterprises to misappropriate state assets for the purposes of "privatization," why stop with the mainland? Are there not some even richer pickings to be had in Hong Kong itself — for example, among property companies sitting on billions' worth of unrealized asset gains?

Hong Kong was built on entrepreneurship and risk taking.

Red Chip "capitalism" is instant wealth for insiders in the state-party apparatus. The process leaves the state enterprises unreformed, but shorn of some of their better assets.

The other possibility is that there will be a strong reaction in China against this spurious capitalism, resulting in a leftward lurch and blame being placed on Hong Kong for being the origin of these evils.

The Red Chip mania is only one aspect of an asset bubble in Hong Kong. The current administration has let credit growth rip — an almost 30 percent increase in the past year, fueling property and share booms.

One might have thought that incoming Chief Executive Tung Chee-hwa would be wary. His family shipping company nearly went under in the mid-'80s as a result of over-ordering ships when credit was cheap. He was rescued by mainland money and

the unaccustomed softheartedness of some foreign banks.

But instead of being seen as a credit-driven bubble, asset prices are being taken by the British and Mr. Tung as illustration of "confidence." A hangover is inevitable and could be Mr. Tung's first crisis.

Recurring asset booms and busts are part of Hong Kong's history and way of business. Red Chips are a new and more lethal play.

International Herald Tribune

## A Viable Opposition Will Be Needed

By Roda Mushkat

**HONG KONG** — Under its new chief executive, Tung Chee-hwa, Hong Kong moves into the camp of those in Asia who have reservations about Western-style democracy.

The Asian version of democracy, which gives greater priority to authority than to freedom, clearly holds more appeal for China and the Hong Kong leaders it has approved than the Western political structure bequeathed by the British.

Key pieces of legislation introduced by Chris Patten, the departing governor, to enhance individual freedoms and government accountability are being consigned to oblivion. The

shift reflects a policy preference, in Hong Kong and Beijing, for a political system that is stable rather than open.

Authority wins over freedom because it buttresses those in power so that they can do their work more efficiently.

The attempt to create a strong government in Hong Kong is partly inspired by Singapore's example of promoting stability and prosperity while minimizing opposition.

Both societies have Confucian roots, but their political cultures diverge. In Singapore, social impulses flow from the top down; in Hong Kong it is the other way round. Hong Kong is, therefore, less susceptible to top-down guidance.

Nor is Singapore governed, as Hong Kong will be, by a group of businessmen with no clear accountability. Rather it is driven by competent technocrats-cum-politicians who regularly seek to re-establish their legitimacy through general elections based on a universal franchise.

Hong Kong has had a business-friendly government under British colonial rule. But this is the first time that it will have government by business. That makes a viable opposition necessary.

Singapore has a good record

on corruption. Hong Kong, too, has managed to make considerable progress on that front. But, given the change of regime and the growing influence of China, where corruption is widespread, there are legitimate concerns about the potential for regression.

Again, in such circumstances an opposition check is needed.

The writer, a law professor at the University of Hong Kong, is author of "One Country, Two International Legal Personalities: The Case of Hong Kong." She contributed this column to the Herald Tribune.

## A Concern for Order

**THE** West needs to recognize the astounding changes that have taken place in China. The Tiananmen-type incident is not going to happen again.

In any case, Hong Kong is not Beijing. Political demonstrations, for example, are part of our culture in Hong Kong. So, of course, there will be this kind of freedom — so long as the matters concerned relate directly to Hong Kong.

At the same time, the worst thing would be if the whole issue of order started to slide. I lived in America in the 1960s and saw what happened: the slow erosion of authority, and the society becoming less orderly than desirable. I certainly don't want to see that happen here.

Freedom is not unimportant. But the West just doesn't understand Chinese culture. It is time to reaffirm who we are. Individual rights are not as important as order in our society. That is how we are.

—Tung Chee-hwa, commenting for the Los Angeles Times Syndicate.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: An Apotheosis

**LONDON** — The inner meaning of Her Majesty's Diamond Jubilee apotheosis can be found in what the English have succeeded in making of the sovereign, that redoubtable and yet necessary being who might easily be harmful but without whom the unity of a country is never quite a reality. They have kept the Monarchy, divesting it step by step of its most crying abuses, and they have made of their democracy the highest and most beneficial of its public services.

### 1922: Stay in Hayti

**WASHINGTON** — The indefinite continuance of American military occupation in Hayti, but a reduction of the force of marines, is recommended in a unanimous report of the special Senate investigation committee. The committee declared

that revolution and brigandage would follow an early withdrawal or a drastic cut in the forces on duty. Many charges have been made against the marine forces in Hayti, but investigations by a Congressional committee have found them without foundation.

### 1947: Italy Hails Eva

**ROME** — Eva Peron, the wife of Argentina's dictatorial President, arrived in Italy tonight [June 26] on her goodwill tour of Europe. Thirty thousand Romans gave the former motion picture actress a welcome, but it fell considerably short of what she received in Generalissimo Francisco Franco's Spain. Posters on house walls through the city hailed her as the "gentle ambassador" of a nation which chose during the "recent painful war" not to join the "bloc of powers which stood against Italy."

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## OPINION/LETTERS

Starr's Investigation:  
Partisan and Prurient

By Richard Cohen

WASHINGTON — What America needs is neither a good 5-cent cigar nor a (free-range) chicken in every pot, but a special prosecutor to investigate the Whitewater special prosecutor, Kenneth W. Starr. Once asked to look into Whitewater and related matters, he is now questioning Bill Clinton's alleged girlfriends.

That makes two Whitewater scandals — one involving the Clintons, the other involving Mr. Starr.

The Washington Post's Bob Woodward, along with his colleague Susan Schmidt, reports that Mr. Starr's investigators have asked former members of Mr. Clinton's Arkansas security detail what they know about their one-time boss' extracurricular activities — if any, I am obliged to say.

Two state troopers, Roger Perry and Ronald B. Anderson, said they were asked about 12 to 15 women by name. Mr. Perry says that when given a list by the special prosecutor's office, he was able to identify "seven or eight" women with whom Mr. Clinton had had clandestine meetings. He was even asked if he had ever seen Mr. Clinton engage in sex. Alas for talk radio, he said no.

What could justify such a tasteless question? What could Mr. Starr be up to? The Post says the independent counsel is seeking out people in whom Mr. Clinton may have once confided. Did

the president tell them the same story he later told the special prosecutor about Whitewater, Castle Grande and other matters so attenuated, complicated and obscure that almost no one can understand them? Or did he, in a triumph of bad judgment, confess to some sort of criminal activity while engaged in some other activity — telling the immoral about the illegal?

Did this happen with Bill Clinton? I have no idea. But unless Mr. Starr can connect, directly and clearly, Mr. Clinton's alleged extramarital affair(s) to some criminal act of consequence, then he has crossed a line respected by even the most aggressive of prosecutors. He seems to be flailing, determined to punish Bill Clinton not for anything he has done but for making Mr. Starr waste three years of his life. He knows what it is to be seduced (by fame in his case) and abandoned. He is a prosecutor scorned — by the facts, as it turns out, and his own clumsy handling of the investigation.

We all think we know that Bill Clinton has had his innings. Jennifer Flowers alleged as much but, more convincingly, some very careful reporters have come out and said so. In his meticulously researched biography of Mr. Clinton — "First in His Class" — my colleague David Maraniss reported that Mr. Clinton's gubernatorial chief of staff, Betsey Wright, confronted him



with a list of girlfriends and urged that he not run for president in 1988. "Now I want you to tell me the truth about every one," Mr. Maraniss quotes her as telling Mr. Clinton. For whatever reason, Mr. Clinton waited four years.

But everyone has a private life, and not all are beyond reproach. Large numbers of people, as we are constantly learning to our constant surprise, have committed adultery. This is not a real crime, but it can be the cause of great mortification and, maybe, the dissolution of a marriage. What would you, man or woman, say to avoid appearing as a witness and confessing to an affair? — confessing not just to a court, but, in effect, to everyone around your kitchen table as well?

If, up to now, Kenneth Starr

had conducted himself impeccably I might give him the benefit of the doubt in this matter. But he has persisted in partisan activities (making speeches and campaign contributions) and probably will wind up, when all this is over, at Pepperdine University, taking a position created in good part by money from Richard Mellon Scaife, the sugar daddy of the right wing. From the manner of his appointment — by right-wing judges — to the manner of his attempted leaving — to that Pepperdine post — Mr. Starr's tenure has been tainted with the stain of partisanship.

The Whitewater independent counsel was appointed not to see if the Clintons were morally, ethically, politically and in every other way without fault, but to

determine whether they had done something regarding Whitewater that was worthy of a criminal charge — and, in the president's case, possible impeachment. We are talking high crimes here, not really misdemeanors — something so serious that the democratic choice of the people for president might be canceled. So far, Mr. Starr has not shown he has come up with anything close to momentous. If that remains the case, then delving into Mr. Clinton's private life, no matter how sordid, is more repugnant than anything Mr. Clinton may have done. It is past time that Ken Starr either put up or shut up. He, maybe more than President Clinton, has much to account for.

The Washington Post

Ten Reasons Why Chile  
Should Be Part of NATO

By Thomas L. Friedman

WASHINGTON — With less than two weeks to go before the Madrid NATO summit meeting, the United States and its NATO allies are still arguing over which countries to add to NATO. The reason they're still arguing is because there are no clear criteria about who should be let in.

## MEANWHILE

because there is no clear strategy for how to expand NATO, because the Clinton team has no clear idea what it wants NATO to become. When you don't know where you are going, any road (or new member) will get you there.

So the United States favors Poland, Hungary and the Czechs, while the Europeans also want Romania and Slovenia. Since everyone is pushing his favorite country, I would like to propose mine: Chile.

You laugh, but here are 10 reasons Chile is the best candidate for an expanded North Atlantic Treaty Organization.

1. Chile is long, very long, and NATO doesn't have any long countries. All the other proposed new NATO members are short and fat, like dumplings.

2. Since the main reason the Clintonites chose Poland, Hungary and the Czech Republic is because each has a strong ethnic voting bloc in the United States, why not bring Chile in and get the whole Hispanic vote behind NATO expansion?

3. Bringing Chile into NATO would bring diversity to the alliance, which is now dominated by pasty-faced Europeans. A little NATO diversity fits nicely with the Clinton domestic agenda, and without a NATO that looks like America, there's no way Congress will foot its bills forever.

4. The other reason that Poles, Hungarians and Czechs are being brought into NATO is because the European Union won't let them into its free-trade club. (The EU doesn't want Polish workers taking French jobs.) Well, we Americans have told Chile that it can't be in NAFTA because Congress is afraid Chileans will take U.S. jobs. If Chile can't be in NAFTA, then it, too, deserves NATO membership as a consolation prize.

5. Chile is a very tough, often cruel army that would put the Czech, Polish and Hungarian armies to shame. Remember General Augusto Pinochet? They don't come any nastier. But try to name one Hungarian general. Hungarian cooks, maybe. Zsa Zsa Gabor, sure. But Hungary hasn't won a war since the 16th century. Also, since one purpose of expanding NATO is to sell the new members U.S. arms, Chile is perfect.

6. Chile has a very tough, often cruel army that would put the Czech, Polish and Hungarian armies to shame. Remember General Augusto Pinochet? They don't come any nastier. But try to name one Hungarian general. Hungarian cooks, maybe. Zsa Zsa Gabor, sure. But Hungary hasn't won a war since the 16th century. Also, since one purpose of expanding NATO is to sell the new members U.S. arms, Chile is perfect.

7. Chile is just across the ocean from China. That could give NATO a whole new front, and since the Clintonites think NATO has to be expanded and take on new missions in order to survive, what could be a more important mission than deterring China? And how better to do it than with the longest country in the world?

8. Chile has a very tough, often cruel army that would put the Czech, Polish and Hungarian armies to shame. Remember General Augusto Pinochet? They don't come any nastier. But try to name one Hungarian general. Hungarian cooks, maybe. Zsa Zsa Gabor, sure. But Hungary hasn't won a war since the 16th century. Also, since one purpose of expanding NATO is to sell the new members U.S. arms, Chile is perfect.

9. Chile is near Cuba, which, unlike Russia, is still a real Communist country that shoots down civilian planes and has a May Day parade.

10. Chile grows fruit during Europe's winter. What a morale booster for NATO troops! They would eat better than ever, and scurvy would never again be a problem for NATO's Atlantic command. Try to find fresh peaches in Poland in December.

Need I say more?

The New York Times

## LETTERS TO THE EDITOR

## What's at Stake

Regarding "A Frenchman in the U.S." (Letters to the Editor, June 17):

We have heard international pundits and French politicians make the same argument, that the French are conservative. President Jacques Chirac himself publicly asserted as much.

But one should understand the meaning of what France wants to preserve and then compare this to what it stands to lose from a change.

France has a lot, and of great value, to conserve. Pensions, paid holidays and health insurance are not frills to be shed lightly. They are manifestations of the society that French people have wanted and constructed over the years.

LUCIO MARGHERITA

Paris

## A Separate Peace

Regarding "Ambivalent Cyprus" (Editorial, June 18): There is nothing ambivalent

about this situation. As the editorial rightly points out, the two communities on the island, Greek Cypriots and Turkish Cypriots, prefer and enjoy living separately, though they may find this difficult to admit publicly.

As the Turkish Cypriots will never agree to live under Greek domination — whatever the pretext — why not accept the reality and let the two peoples live in peace, separately?

OMER KANCA

Stockholm

## Obstructionist NATO

Regarding "NATO Rejects Hunting Bosnia Crimes Suspects" (June 14):

From the beginning, the North Atlantic Treaty Organization has obstructed any meaningful action in Bosnia.

When, before the Dayton agreements, the Bosnian Serbs fired on French peacekeepers, NATO responded by dropping bombs — not on Serbian military targets but on an abandoned Serbian tank.

When, later, Radovan Karadzic, wanted for war crimes, strutted before the noses of NATO soldiers, they were instructed not to make an arrest.

Now NATO officials say they fear that the chances of a successful raid by a Western paramilitary mission are diminishing. It is precisely NATO's own actions that have made it possible for mass murder and other types of "ethnic cleansing" to go unavenged in Bosnia.

LEONORE SUHL

Portimão, Portugal

## BOOKS

THOMAS JEFFERSON  
AND SALLY HEMINGS:  
An American Controversy

By Annette Gordon-Reed. 288 pages. \$29.95. University Press of Virginia.

Reviewed by Brenda Stevenson

THE purported 38-year affair of Thomas Jefferson with the slave woman Sally Hemings is the subject of a provocative new book by Annette Gordon-Reed. Rumors of the liaison surfaced publicly during Jefferson's first presidential administration. Fueled by local gossip and the grudge of James Callender, a notorious political hack, stories about the nature of the relationship, Jefferson and Hemings's characters, and the fates of her five children formed a treacherous web that ever since has hung heavily in an unkept corner of American history.

A legal scholar with obvious talent as a writer and a historian, Gordon-Reed takes on the wrangle-bound narrative that ties Jefferson to the slave woman as early as 1786, when she was 15 and he 45. But that's only half the story. The author wants to set the record straight and, in so doing, is determined to expose the fallacies and biases of those Jeffersonian scholars who have vehemently denied the claim.

Gordon-Reed's accomplishments in this work are numerous. She has built a formidable case in support of the position that Jefferson and Hemings had an intimate relationship of many years. The debate undoubtedly will continue, but there is little reason that it should.

She also provides an instructive critique of those academicians who purposefully obscured the truth. Her denunciation of this "conspiracy of defense" provides a long-overdue moral to this story: Historians have a profound responsibility as excavators and caretakers of the nation's past, a responsibility that cannot be denied in the rush to ease their public's fears and conscience. As Gordon-Reed notes, too of-

ten scholars have "constructed" U.S. history to comfort the majority at the expense of minorities.

Her study also revisits an important and unrelated methodological battle, reasserting — in the tradition of John Blassingame, Deborah White, Jacqueline Jones, Herbert Gutman and so many other "revisionist" slavery scholars — the necessity to recognize the slaves' voices and perspectives. In her discourse on the value judgments scholars place on various kinds of primary documentation, Gordon-Reed profoundly indicts the privileging of slaveholder accounts and the dismissal of the slave narratives. She insists, and rightly so, that the slaves had intellects with which they could reliably describe and analyze their lives.

The author's work is not, however, without its own flaws, methodological and philosophical. What readers undoubtedly will be most interested in will be a detailed account of the lives and relationship of Jefferson and Hemings. They will not get it. Most also will finish the book without learning much about slavery in the United States, life in the Old South or the political culture out of which the controversy first emerged.

This absence of historical context poses a critical question: Is Gordon-Reed familiar enough with the 18th- and 19th-century world of the two principal characters to render a reasonable assessment of their relationship?

Much of the time she is. Yet some poorly constructed conclusions based on uninformative analyses occasionally surface. Consider, for example, her "Summary of the Evidence" section. Gordon-Reed argues convincingly that the weight of the evidence supports the story of an intimate relationship. Yet her insistence that Jefferson treated Hemings's children preferentially, even paterally, and that each example of this treatment she cites indicates his paternity, could not have been derived from a familiarity with the social history of

slavery, particularly the peculiar nature of the relationship between the slaveholder's family and the favored domestic slave family.

Other kinds of fallacies emerge elsewhere, such as in the author's assessment of Southern elite female education, rituals of courtship, and the nature of Southern marital and familial relations.

What is most problematic, however, is Gordon-Reed's discussion of Sally Hemings's place in the life and world of Jefferson. The author spends an enormous amount of energy suggesting that Jefferson and Hemings had a romance, that Jefferson could have loved Sally because of her beauty, her literacy, their shared experiences, etc. Yet there really was no basis for a companionate relationship between the two. Moreover, Jefferson demonstrated little humanity in relation to her, and she exercised little influence on him.

SALLY HEMINGS was a quadroon whose mother was a slave and whose powerful, wealthy white father never claimed her. Her slave status placed her at the feet of her half-sister (Jefferson's wife) and her children. Upon Martha Jefferson's death, Sally was under Jefferson's complete control. It was within this context that the 14-year-old virgin arrived in Paris and two years later left pregnant with her master's child. Gordon-Reed asserts: The power that Jefferson held and exercised over Sally, their offspring and her other kin denied any possibility of a companionate romance.

Gordon-Reed is right to defend Sally Hemings's character, particularly in response to its crude excoriation by most Jefferson scholars. Yet this defense cannot erase her tragic victimization by one of America's most important and influential historical figures.

Brenda Stevenson, a professor of history at UCLA, wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

TWO star-studded teams clashed in the final of the Women's International Team Trials, to determine two teams to represent the United States in the World Championships in Tunisia in October.

One team consisted of Pam Wittes, Cheri Bjerkkan, Sue Weinstein, Stasha Cohen, Shawn Quinn and Judy Wadas, who were automatically entered into the semifinals because of a strong performance in recent national championships.

Opposing them were Marisena Letizia, Lisa Berkowitz, Jill Meyers,

Randi Montin, Tobi Sololow and Mildred Breed.

A deal from the qualifying round is shown in the diagram. Should North-South play a slam in hearts, spades or no-trump? Seven hearts will make rather lucky, because after a trump lead the declarer can draw trumps and make use of dummy's spades. Seven spades will make with similar luck.

Seven no-trump has a good chance, and made at one table after a diamond lead. But in the replay, after the auction shown, South arrived in six no-trump. Montin was now inspired to lead a club. This had a devastating effect on the declarer's communications,

One could play for an error by taking the king of clubs, six heart winners and the spade ace. Then the ace-king of diamonds followed by a low one will endplay a defender who has failed to unblock the queen with a holding of Q-x-x.

The best play is to take all the side-suit winners and play the ace and a small diamond. This will succeed if East began with four diamonds including the queen, since she will be endplayed. But this play, too, had to fail with the lie of the cards.

The swing was 23 imps; and the Letizia team survived the qualifying round-robin by a whisker.

NORTH (D)  
♦ K J 10 8 7 4 2  
♥ 8  
♦ A Q 10 8 2  
♣ 9 8 7 6 5 4 3 2

WEST  
♦ 9 5 3  
♥ 8 4  
♦ 10 8 3  
♣ J 9 8 4 3

EAST  
♦ Q 7  
♥ 10 8 6 5 2  
♦ Q 9 7 5 2  
♣ 7 2

SOUTH  
♦ A  
♥ A K Q J 7 3  
♦ A K J 6 4  
♣ K

Both sides were vulnerable. The bidding: North: 1♣, 2♥, 3♥, 4♥, 5♥, 6♥, 7♥, 8♥, 9♥, 10♥, 11♥, 12♥, 13♥, 14♥, 15♥, 16♥, 17♥, 18♥, 19♥, 20♥, 21♥, 22♥, 23♥, 24♥, 25♥, 26♥, 27♥, 28♥, 29♥, 30♥, 31♥, 32♥, 33♥, 34♥, 35♥, 36♥, 37♥, 38♥, 39♥, 40♥, 41♥, 42♥, 43♥, 44♥, 45♥, 46♥, 47♥, 48♥, 49♥, 50♥, 51♥, 52♥, 53♥, 54♥, 55♥, 56♥, 57♥, 58♥, 59♥, 60♥, 61♥, 62♥, 63♥, 64♥, 65♥, 66♥, 67♥, 68♥, 69♥, 70♥, 71♥, 72♥, 73♥, 74♥, 75♥, 76♥, 77♥, 78♥, 79♥, 80♥, 81♥, 82♥, 83♥, 84♥, 85♥, 86♥, 87♥, 88♥, 89♥, 90♥, 91♥, 92♥, 93♥, 94♥, 95♥, 96♥, 97♥, 98♥, 99♥, 100♥.

West led the club four.

We're not just  
there for the  
celebrations.

On Monday 30th June, after 155 years of British Colonial rule, Hong Kong will become

a Special Administrative Region of the Peoples'

Republic of China. BBC World will have special reports

on the build-up of events throughout June, as well

as extensive live coverage on the day itself.

The historic hand-over is presented by John Tusa,

our expert on Hong Kong and China, Nidi Marx and

Tim Sebastian, who also chairs 'BBC World Debate' and presents 'HARDtalk', interviewing special guests with an outlook on

Hong Kong's future. Sir David Frost hosts a special edition of

'Breakfast With Frost', interviewing the Governor on the day before the handover, and Howard Stapleford and Shahbaz

Pakravan bring us a 'Tomorrow's World in Hong Kong' special.

In addition to the live coverage, BBC World looks beyond

the change-over to examine Hong Kong's future from both inside China and from the colony itself.

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مكتبة الجليل



## Classic Italian Gardens That Say It Without Flowers

By Paula Butturini

**R**OME — Classic Italian gardens are paradoxical places, celebrating sun and shade, earth and sky, the green of hedge, the crunch of gravel, the play of moving water — just about anything but a profusion of flowers. In a country as dry and hot as Italy in summer, blooms and blossoms turned out to be far too complicated and expensive to maintain. So although Italy was the first European country to be dazzled by bulbs from the East and West Indies, the Americas and South Africa — tulips, daffodils, narcissus — in the 17th century, flowers gradually disappeared from the classic Italian garden. Increasingly, architects focused on perennial greens, cool stone-work and the sound of water to soothe eyes and minds burning from the fierce sunlight that bakes the peninsula much of the year.

Labyrinthine designs of ilex, laurel, cypress or box — interspersed with pools, fountains or cascades of water and underplanted with cool gray-green sage or well-trained rosemary — are set among paths of gravel or hard-packed earth, and play off walls or balustrades of stone and stucco. Arbors, pergolas, grottoes and statues from myth or antiquity also decorate the individual "rooms" of a classic Italian garden, outdoor spaces that are as carefully planned as the rooms of the house itself and that fit the landscape as well as their inhabitants' needs.

"It is hard to explain to the modern garden-lover, whose whole conception of the charm of gardens is formed of successive pictures of flower-loveliness, how this effect of enchantment can be produced by anything so dull and monotonous as a mere combination of clipped green and stonework," wrote Edith Wharton, an early devotee, in her 1904 book "Italian Villas and Their Gardens." But Wharton was convinced that classic Italian gardens were among the most special places on earth: "The traveler returning from Italy, with his eyes and imagination full of the ineffable Italian garden-magic, knows vaguely that the enchantment exists: that he has been under its spell, and that it is more potent, more enduring, more intoxicating to every sense than the most elaborate and glowing effects of modern horticulture."

Classic Italian gardens have mostly been hidden behind the thick walls surrounding the castles and villas of the Italian aristocracy since their inception. Even in their home country they remain largely unappreciated, many still private and open to the public rarely if at all. Indeed, Italians lament that their countrymen are generally more familiar with the concept of the romantic English garden or the formal French garden than with the home-grown variety. But as Italy's 20th-century aristocrats try to balance bank accounts, private gardens that in some cases were planted centuries ago are being opened to the public. Visiting them requires planning, though; they are open on a limited basis.



The garden of the Villa Arvedi, a 17th-century villa near Verona, and angel statue decorating a fountain in the Garzoni garden in Collodi, near Pistoia.

mostly to groups of 10 or those willing to pay an equivalent fee.

## CASTELLO RUSPOLI

When Ottavia Orsini married Marc Antonio Marescotti, the Count of Vignanello, at the start of the 17th century, she, like many a bride, determined to plant a garden at her new home 40 miles north of Rome near Viterbo. Home, which started as a ninth-century Benedictine monastery that was first turned into a fortress and later into a more livable castle, dominated a steep, rocky outcrop. Before she could even think of planting, however, Ottavia had the matter of soil to attend to: her future garden had none. So Ottavia, the daughter of the creator of Bomarzo — the garden to the north whose 16th-century Park of the Monsters was filled with exotic animals and other bizarre figures carved in stone — ordered tons of dirt carried to the site by ox cart to construct an earthen plateau over the rocky crags.

Nearly 400 years later, Ottavia's garden at the Castello Ruspoli in Vignanello is considered one of the purest Renaissance gardens in Italy. The intricate designs she laid out remain in-

tact, says Princess Claudia Ruspoli, though today the elaborate plantings are in box hedge instead of the sage and rosemary that once traced Ottavia's elaborate geometric patterns.

Visitors looking out from the castle windows over the spacious central garden are rewarded with the most dramatic view: a perfect rectangle edged in green, crossed by four avenues of packed earth and divided into 12 parterres of box hedge laid out with geometric precision around a central fountain. Ottavia's initials, OO, are visible in the central parterre closest to the castle moat. Hidden is a smaller sunken "secret garden," a standard element of Renaissance plantings, where the family could spend time privately. Today it is filled with roses, irises and dahlias, in beds shaped into diamonds, triangles and circles.

Three wide avenues framed by bay laurel trees extend beyond the central parterres into a wilder area that also includes a small fruit garden. Information: (39-6) 687-6147.

## PALAZZO CORSINI

In the heart of Florence, a short walk from the central train station, is another

special garden hidden behind the high walls of the 16th-century Palazzo Corsini, which contains the most important private art collection in the city. Part of the garden's delight is the unexpected nature of its very existence in the center of such a bustling urban center. Step into the gardens and the Florentine tourist frenzy is replaced by an aura of calm.

The elegant, intricate garden — a little over an acre — was originally laid out in the 17th century with parterres of box hedge, lemons and other evergreen shrubs in geometric patterns. In its heyday, it boasted 300 lemon trees in ornamental terra-cotta pots.

Today, the number of lemon trees is down to a more manageable 130, and there is said to be an equal number of tortoises, which move through the garden, hiding under leaves and shrubs.

Interspersed among the lemon trees is second-century Roman statuary as well as later sculpture. Flanking the central garden are heavily wooded areas, which were once used as *ragnatie*, areas where small birds could be trapped for cooking. But in 1860, when Romanticism had taken hold in Italy, the ragnatie were

turned into woodland groves by letting the trees — some more than 200 years old — grow tall. Today, the groves serve as a sort of natural green barrier, framing the box parterres and lemon groves, and protecting them from the encroachments of the modern city. Information: (39-55) 218-994.

## VILLA ARVEDI

About five miles outside Verona stands a grand 17th-century Baroque villa, framed by a two-and-a-half-acre formal garden whose central avenue is lined with box trees at least 200 years old. From the grassy terrace that hugs the facade of the villa, the gardens descend in a gentle sweep to perimeter walls that run along the modern-day roadway.

The central boxwood parterres show a hint of French influence in their intricate, swirling designs, but the remainder of the garden is strictly Italian. The central parterres surround a fountain, and numerous carefully trimmed yew and cypresses punctuate the scene.

The statuary throughout the garden mimics the frescoes in the villa, all of

them with a military theme, unusual for an Italian country villa. Gigantic warriors and soldiers, bearing arms and flexing oversized muscles, take the place of the figures from myth or antiquity that populate most Italian gardens. The military reminders were no accident, according to Count Arvedo Arvedi, who lives with his family in the villa. The genteel villa now standing replaced a fortress that once guarded one of the Venetian Republic's lucrative commercial roads to the northeast, which ran along the top of the hills behind the house. Later owners of the property wanted reminders of that military power.

Along one side of the upper terrace, which is planted in lawn and persimmon trees, stands what was once a spectacular grotto filled with fanciful fountains and decorated with mosaics (unfortunately, in rather poor condition) of mythical scenes, including Hercules fighting the Hydra. Information: (39-45) 907-045.

## VILLA TRISSINO MARZOTTO

The massive complex, dominating an entire hillside near Vicenza, traces its founding to 1001, when building work began upon Roman ruins. The 49-acre gardens are vast — you could easily spend two hours walking through them — and have taken on a variety of styles over the centuries. Although they were begun in the 1400s, what is visible today generally dates to the 18th century.

Portions of the gardens resemble an English park, with towering trees well over 200 years old planted on long, sweeping hillsides. But Count Giannino Marzotto, a winner of Italy's famed Mille Miglia car race in 1950 and again in 1953, also restored a glorious classic Italian garden in a lower portion of the property, setting statues by the 18th-century sculptor Marinali around a vast octagonal pool, itself surrounded by gray-green lavender. This is a garden big enough to get lost in, among the box hedges documented as 250 years old, the covered tunnels of green that shield the visitor from the sun, or the avenues of lemon trees that wind along a path topped by a minaret. Information: (39-445) 962-029.

## OTHER CLASSIC OASES

Giusti Gardens, 2 Via Giardino Giusti, Verona. This Renaissance jewel covers a verdant hillside, from whose belvedere much of Verona is visible. Information: (39-45) 803-4029.

Giardino Garzoni, Piazza della Vittoria, in Collodi, north of Pistoia. A restoration is nearly complete of this early 17th-century garden laid out in terraces on a steep hillside. It is filled with fountains, ponds, a labyrinth, grottoes, statues and stairways. Information: (39-572) 429-131 or (39-572) 429-116.

Paula Butturini, a journalist who lives in Rome, wrote this for The New York Times.

## Not an Obvious Destination: Bikini

By Nicholas D. Kristof  
New York Times Service

**B**IKINI, Marshall Islands — As the tiny propeller airplane drops down toward Bikini atoll, rocked by gusts of wind that produce sickening lurches, the land looks breathtakingly fragile. It is a tiny crescent of sand peeping just above the sea, two beaches with almost nothing in between, looking as if any large wave could wash away Bikini for good.

The next perception is one of spectacular beauty. The lagoon is a turquoise so brilliant it seems to glow; the sands are a sparkling white; the tiny strip of palms and jungle is a rich forest green; and the ocean is a deep blue as thick as paint.

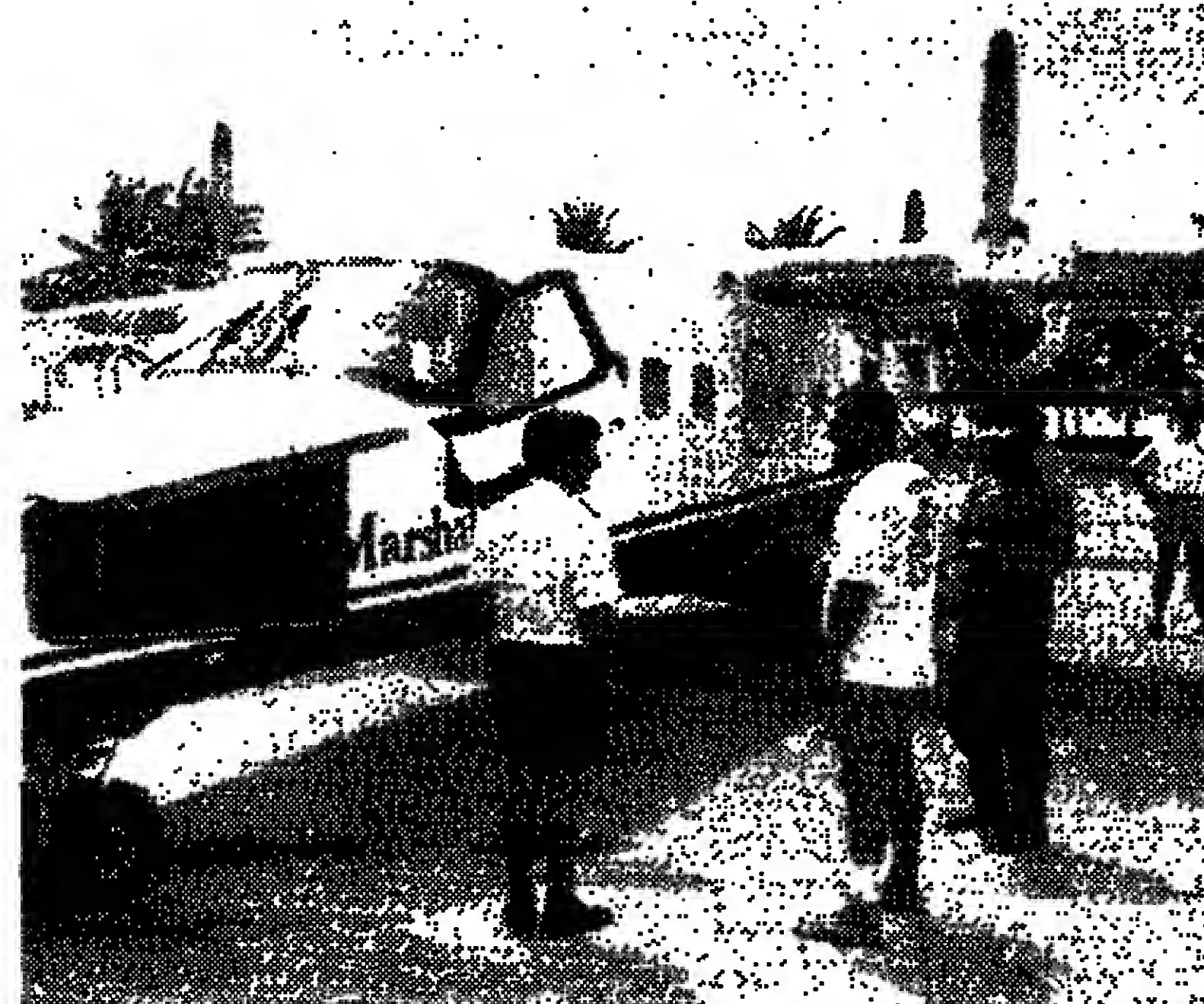
A moment later, the plane has rattled to a stop on a grass field, and the half-dozen of us on board jump out. A sign welcomes us to Bikini International Airport, which seems a bit grandiose, since it is just a landing strip on which this plane wobbles to a stop once a week with a few passengers on a domestic flight from Majuro, the capital of the Republic of the Marshall Islands.

## BENEFITS OF ISOLATION

Bikini is one of those places that everyone has heard of but nobody has been to, like Timbuktu. Except that, charmed city in West Africa, while Bikini remains a ravishing Pacific island with a dazzling sun and a coral reef teeming with fish and sea turtles. Indeed, Bikini's striking beauty is largely a result of its isolation, for it was virtually deserted until it was opened to tourists last year.

Bikini atoll became known in the 1940s and '50s when the United States dropped 23 atomic and hydrogen bombs on it. A French company was just introducing a new two-piece bathing suit for women at the time, and named it the bikini, apparently because it was thought to catch men's attention with the same force as an atomic blast.

In any case, background radiation levels on Bikini are now lower than those in many American cities, and six different studies have concluded that Bikini is safe, at least so long as residents do not eat vast numbers of local coconuts. And while Godzilla was supposed to have arisen from the Bikini



To get there, you have to get one of the 19 seats on the weekly plane.

lagoon, there is no sign that the radiation spawned mutant monsters.

Bikini atoll is a string of 23 islands surrounding a spectacular turquoise lagoon. On my trip in February, I took a 15-minute boat ride from the island with the airstrip to the main island in the atoll, also called Bikini. Visits should be arranged a few weeks ahead, because the only place to stay is the Bikini Atoll Diving Resort, and if it is full, you may end up on the beach until the next flight out, a week later.

Most of the people who come to Bikini are divers participating in a weeklong package that costs \$2,750, and includes diving, food and a spartan but clean and pleasant room. The 20 rooms in three buildings face the lagoon and have toilets, hot and cold water, showers, air-conditioning and electricity (from a generator), but there is no television or phone (except for an emergency for \$10 a minute). The lodgings are more like those of a motel than of a resort, and the cafeteria is similarly clean but not fancy. It offers fresh *mahi-mahi*, tuna and other fish, as well as tropical fruit and fresh vegetables, and even foods like ham-

burgers, hot dogs and soft drinks.

The diving program consists of two dives a day to explore shipwrecks of World War II vintage craft in the lagoon. When they are not diving, the guests can explore the island on foot or on rented bicycles, or watch videos in the lodge. There is plenty of beachcombing to be done on an island that has had virtually no tourists for decades, and the sand is full of shells and sprigs of coral. There is also an old cemetery, from the time when Bikinians lived on the island before being evicted in 1946 for the tests, and a few bunkers near the beach that were used to shelter observers during the tests.

**T**HE resort is owned collectively by the Bikinians, and about 30 people live on the island — a dozen who work in the lodge and various others monitoring the area for the U.S. Government and conducting scientific experiments. The Bikinians now live on others of the Marshall Islands but are debating whether to return to their atoll.

The lagoon is full of bonefish, sharks, marlin and other species of gamefish, and the resort lets people use

fishing rods and tackle to cast from the beach. In addition, it is planning to get fishing boats and begin a sport fishing program this summer.

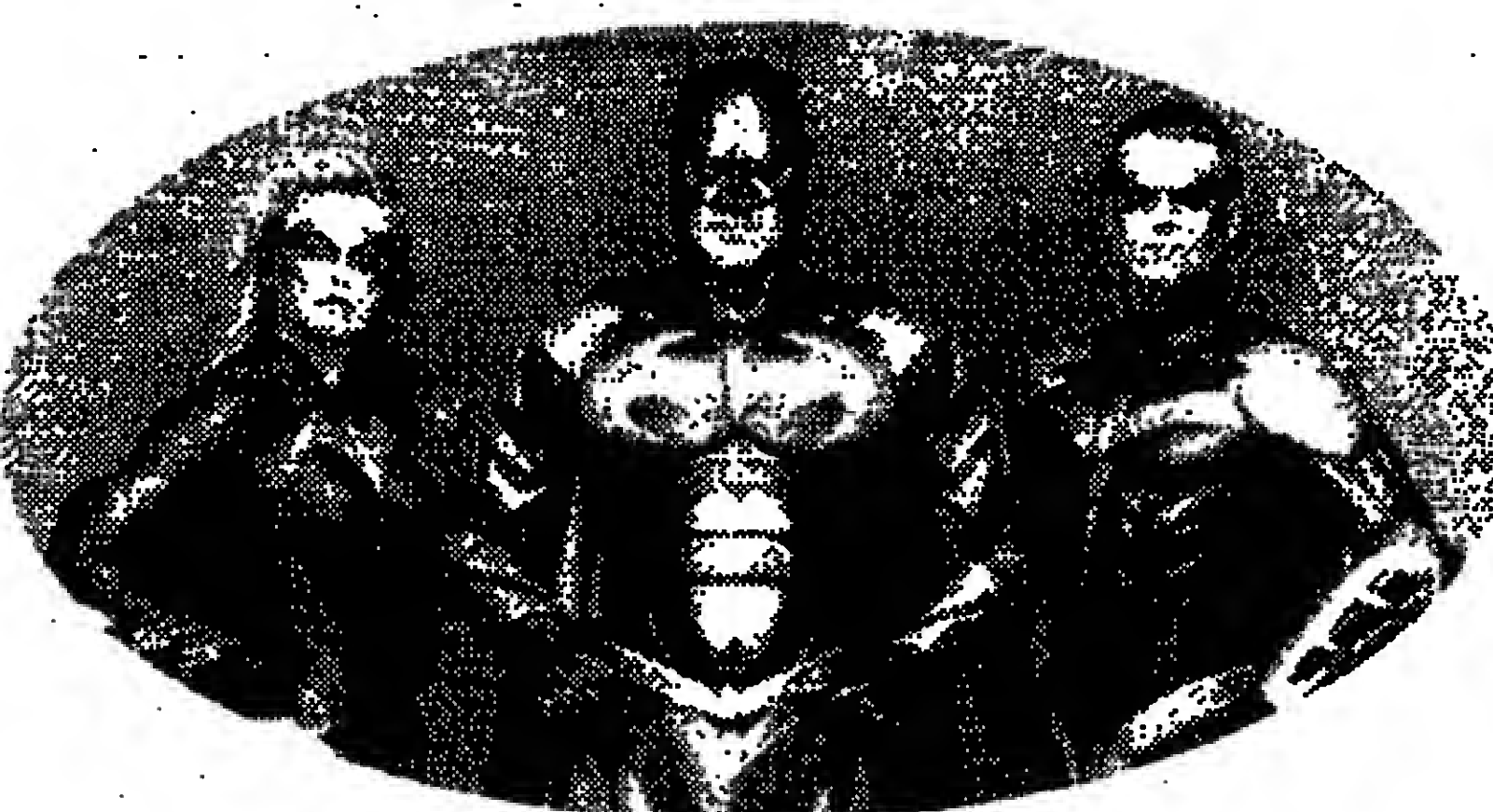
"The lure of this place is that for 40 years nobody has been here," mused Fabio Amaral, a Brazilian who runs the dive program. "At all the big diving sites around the world, oldtimers say it's not like it used to be, because of overfishing. Well, this is like what it used to be."

The tourist program began tentatively last year, and it is just gearing up this year. For now, it is pretty much limited to experienced divers, but there is also talk about inviting sport fishermen and snorkelers and other vacationers. Aside from the limit of 20 rooms, one constraint is that the only access for now is the weekly flight, on a 19-seat plane, although there is talk of adding flights. Of course, anybody can sign up and simply spend the days exploring the island and swimming instead of diving, but for now almost all comers are diving enthusiasts.

**SHIPWRECKS** The main attractions to divers are the shipwrecks at the bottom of the lagoon. During the nuclear tests, the United States dropped atomic bombs near ships to see what would happen, and not surprisingly, they sank. So among the vessels in the lagoon are the *Saratoga*, a rare aircraft carrier accessible to sport divers; the *Arkansas*, a battleship still equipped with heavy weapons; the *Pilotfish*, a submarine, and the battleship *Nagato*, once the flagship of the Japanese Navy and from which the order to attack Pearl Harbor was transmitted.

The water of the lagoon is clear and warm with no currents, but the shipwrecks can be explored only by experienced divers because most are in 100 to 175 feet (about 30 to 50 meters) of water. Only people with advanced open-water diver certification are allowed to make the dives, and the resort recommends that all participants have at least 50 dives under their belts. While shipwrecks in other places have often been picked clean by souvenir hunters, the ships in Bikini lagoon are untouched. Some still have live bombs and ammunition, which divers are instructed not to touch, as well as intact coffee cups — and, most improbable of all — light bulbs that somehow survived the nuclear weapons.

## MOVIE GUIDE



Silverstone, Clooney and O'Donnell in "Batman &amp; Robin."

## BATMAN &amp; ROBIN

Directed by Joel Schumacher. U.S.

Like a wounded yeti, "Batman & Robin" drags itself through icicle-heavy sets, dry-ice fog and choking jungle vines, before dying in a frozen heap. Unfortunately, that demise occurs about 20 minutes into the movie, which leaves you in the cold for approximately 106 minutes. Assuming you've ventured into this territory, I'd strongly advise you to hibernate. In Akiva Goldsman's dramatically frostbitten screenplay, Batman (George Clooney) and his irrepressible sidekick, Robin (Chris O'Donnell) and Batgirl (Alicia Silverstone), must save Gotham City from a double threat: the armored, cold-blooded Mr. Freeze, whose powerful ice gun can chill his opponents to death, and a movie, vine-fused temptress called Poison Ivy (Uma Thurman), whose kiss is deadlier than a weekend in Chernobyl. The premise is way below zero, but it's an opportunity for gothic creativity. For director Joel Schumacher, however, who used to be a window dresser, movies aren't about themes, they're about schemes. He arranges and choreographs his actors as if they were storefront dummies. He blasts the gothic gloom of Bob Kane's original "Batman" comic book series into goofy brightness. Throughout this empty flashy, meandering fashion show of a summer flick, one conclusion is clear: It's time to discontinue the "Batman" line. (Desson Howe, WP)

## HERCULES

Directed by John Musker and Ron Clements. U.S.

Welcome to Disney Olympus, where Zeus is now a proud papa and devoted family man. And when the supreme Greek deity wants a gift for his tiny

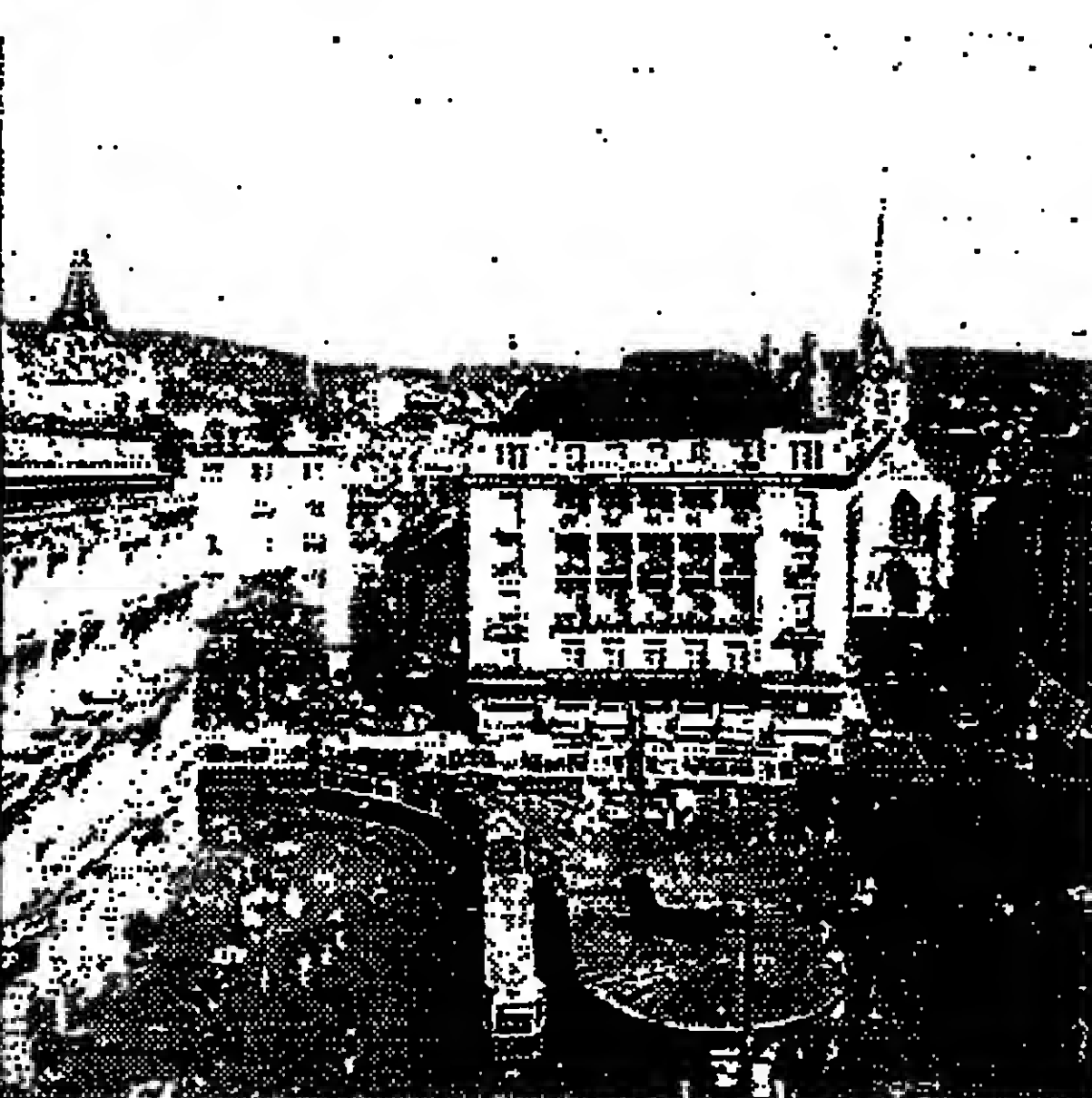
Hercules, he just stirs up a cloud puff and comes up with white-and-turquoise Pegasus, as adorable a plaything as any celestial baby could imagine. Ancient gods and Disney animators happen to share a taste for such miracles, as the latest Disney effort demonstrates with such delight. On any level, earthly or otherwise, the ingenious new animated "Hercules" is pretty divine. After a run of relative disappointments, Disney animation is back in top form with this happily bastardized mythology lesson, one that could well have the post-"Beavis and Butt-head" generation collecting many-headed Hydras and contemplating Grecian urns. With inspired imitation, "Hercules" brings together ancient lore, gospel singing, girl-group choreography and lots of free-floating mischief into a jubilant pastiche of classical references. Will it charm children and vastly amuse their parents, teachers and friends? "In a Peloponnesian minute," in the words of one of the film's typically wisecracking, not-so-ancient Greeks. Infused with wild new visual ideas thanks to production design by Gerald Scarfe, and directed with immense glee by the "Aladdin" and "Little Mermaid" team of John Musker and Ron Clements, "Hercules" has cleverness to spare. The one Achilles' heel to "Hercules" (and, of course, there are some prime Achilles gags here) comes with the familiar sound of its hero, one more questing teenager who delivers a power ballad about his hopes and dreams. (Is there any doubt where Michael Bolton, who belts out the song over the closing credits, will be on Oscar night next year? Alan Menken again supplies a varied and catchy score, this time with lyrics by David Zippel. (Janet Maslin, NY)



## LEISURE



Outdoor café on the Bahnhofstrasse and lively square in Zurich.



Swiss National Tower in Zurich.

## Zurich Joins Festival Chorus

By Paul Hofmann

**Z**URICH — Switzerland's biggest city is about to launch the first Zurich Festival, a 23-day celebration of the arts that it hopes will become an annual summer highlight in this metropolis of banking, technology and high-priced shopping.

The festival, starting Saturday and continuing through July 20, will include opera, ballet, drama, concerts and an exhibition of American 20th-century paintings.

The choice of dates is a wise one: This city on the northern tip of the booming Zurich Lake is brightened by flowers in June and is well endowed with public gardens, like Pestalozzi Park, in the center of town, or the landscaped promenade on the western lake shore.

Eyes jaded by the opulent windows of the jewelry shops and boutiques along the Bahnhofstrasse can rest themselves on the green range hills east and west and the shimmering blue of the lake with the peaks of the Glarus Alps on the far southern horizon.

Many languages besides the near-impenetrable patois of the Zurichers are heard in this cosmopolitan center, and nearly everybody knows English. The recent strength of the dollar has made Switzerland a bit less expensive for Americans than it used to be.

**A**ND transportation doesn't have to cost much at all. Through Oct. 23, a fleet of 200 bicycles will be available free on a first-come basis at the Globus department store and at three suburban stations that are gateways to out-of-town rides: Stadelhofen near the Opera House, Enge in the city's west and Oerlikon to the north. For a \$14 refundable deposit, you can bike around the city all day. Bikes are available between 7:30 A.M. and 9:30 P.M. except on Sunday. Information: (41-1) 825-5242.

Included in the Zurich Festival but continuing beyond it is "Birth of the Cool," works by modern American artists from Georgia O'Keeffe and Jackson Pollock to Sue Williams, Philip Taaffe and Christopher Wool. It runs until Sept. 7 at the Kunsthaus, 1 Heim-

platz, (41-1) 251-6765, where the permanent collection includes significant works by the French Impressionists, Munch, Klee, the Giacomettis, Chagall and Kokoschka, as well as a room with 18 Picassos. Open 10 A.M. to 9 P.M. Tuesday to Thursday and until 5 P.M. Friday to Sunday. Admission: \$9.60 at 1.45 Swiss francs to the dollar.

The Zurich Opera House will open the festival on Saturday with Donizetti's "Roberto Devereux." Marcello Viotti will conduct, with Edita Gruberova and Vincenzo La Scola in the leads. Robert Wilson's new production of Wagner's "Lohengrin," conducted by Ralf Weikert, with Gosta Winbergh and Stig Anderson alternating in the title role, will be performed June 29 and July 3 and 6. Lehar's "Merry Widow," conducted by Franz Welser-Most, with Elena Mosuc in the title part and Rodney Giffy as Count Danilo, is to conclude the rich operatic portion of the festival on July 19. Tickets, \$22 to \$262, can be ordered by fax from the festival office at (41-1) 215-4030, or bought at the Opera House, Theaterplatz, (41-1) 268-6666, fax (41-1) 268-6555.

Music by Mahler, Schubert and Brahms dominates the festival program at the Tonhalle. Zurich's premier concert hall, across the lake from the Opera House. For Mahler's "Symphony of a Thousand" on July 5 and 6, David Zinman will conduct the Tonhalle Orchestra with three choirs from Prague, the Zurich Boys' Choir and eight solo vocalists. Sir George Solti will lead the Tonhalle Orchestra in Mahler's Fifth Symphony on July 12 and 13.

**SCHUBERTLIEDER** Peter Schreier, Hermann Prey, Gabriele Rossmann and others will interpret lieder in Schubert's lieder July 6, 7, 9 and 14. The many Tonhalle soloists will include the pianist Alicia de Larrocha on July 7, and the mezzo-soprano Cecilia Bartoli July 19. Tickets to the Tonhalle cost from \$13.80 to \$103, and can be ordered from the festival office or bought at the Tonhalle ticket office, 7 Claridenstrasse, (41-1) 206-3434, fax (41-1) 206-3469, 10 A.M. to 6 P.M. weekdays. The main railroad terminal (Haupt-

bahnhof), which handles 500 trains and 100,000 travelers a day, will be the setting for a celebration of the Swiss Federal Railway's 150th anniversary Aug. 8 to 10. Train enthusiasts can enjoy films and exhibitions of antique rolling stock, all free. The Hauptbahnhof, from which the glittering Bahnhofstrasse stretches to the lake shore almost a mile to the south, is itself a monument to the railroad age, with its 126-year-old cathedral-like concourse, which remains unchanged amid an on-going modernization project.

**MEDIAeval HOUSES** The heart of the city, between Bahnhofstrasse and the Limmat River where it flows out of the lake, is dotted with half-timbered medieval houses. Several of these ancient buildings were the headquarters of medieval craft guilds and evoke an epoch of wealthy artisans and silk traders. Their interiors have been modernized to serve as restaurants, shops, offices and private homes.

The Church of St. Peter, dating from the eighth century, carries enormous clock faces 28 feet in diameter on its steeple. Nearby is the Romanesque-Gothic Fraumünster. When he was 80, Marc Chagall designed the five stained-glass windows in the choir, depicting episodes from the Old and New Testaments.

Open 9 A.M. to 12:30 P.M. and 2 to 6 P.M. daily. Zurich's principal landmark, the twin-towered Grossmünster across the river, perpetuates the memory of the Protestant reformer Huldrych Zwingli, who preached there from 1518 to shortly before his death in 1531. The pedestrian-only precinct, known as Niederdorf, stretching north from the cathedral along the east bank of the river, is lively until late at night with many taverns and clubs.

Aa outing by streetcar No. 6 from the rail station up the forested Zurichberg hill can be combined with a visit to the zoo. Its 2,000 residents include little Asian elephants, bred in captivity by the zoo, that are the darlings of Zurichers.

Paul Hofmann, whose latest book is "The Sunny Side of the Alps," wrote this for The New York Times.

## ARTS GUIDE

## AUSTRALIA

**SYDNEY** Powerhouse Museum, tel: (2) 217-0111, open daily. To May 1998: "Evolution and Revolution: Chinese Dress, 1700s to Now." Garments and accessories reflect key periods of change in Chinese history, from the silk court robes of the Qing Dynasty (1644-1911) to the national dress emerging from the 1911 Republic government and the contemporary attire following Deng Xiaoping's open-door policy.

## AUSTRIA

**VIENNA** Kunsthistorisches Museum, tel: (1) 525-24-403, closed Mondays. To Oct. 19: "Gold und Silber aus Mexiko." A presentation of pre-Columbian gold and silver artifacts: White gold objects were of paramount importance for their religious symbolism before Columbus, silverware, silver liturgical objects and decorations were created for the Spanish conquerors who had initially been lured to the continent by gold.

## BRITAIN

**BATH** The Royal Photographic Society, tel: (1225) 462-841, open daily. To Aug. 3: "An English Eye: Photographs by James Ravilious." Monochrome prints that record the rural tradition of North Devon. The sense of composition is combined with a feeling of complexity in the lives of those who passed in front of the artist's camera.

## EDINBURGH

Scottish National Portrait Gallery, tel: (31) 332-2288, open daily. To Aug. 31: "The Face of Denmark." 100 Danish paintings, photographs and sculpture dating from 1750 to the present day, including works by Christen Købke and Bertel Thorvaldsen.

## LONDON

Barbican Art Gallery, tel: (171) 538-8891, open daily. To Aug. 17: "Marc Riboud in China: Forty Years of Photography." The French photographer (born 1923) has chronicled the country's social and political developments from the Great Leap Forward of 1958 to the economic boom of the 1990s.

Hayward Gallery, tel: (171) 281-0127, open daily. To Aug. 17: "Rhapsodies in Black: Art of the Harlem Renaissance." As the Jazz Age dawned in the early 1920s, African American artists, writers and musicians flocked to Harlem. This multi-media exhibition brings together paintings, sculpture and photography, by artists such as Aaron Douglas, Jacob Lawrence, who painted the "Toussaint Louverture" series. The exhibition will travel to Washington.

National Portrait Gallery, tel: (171) 306-0055, open daily. To Sept. 28: "Clifford Coffin: The Vanished Truth — Photographs From Vogue, 1945-1955." For more than a decade, in London, Paris and New York, Clifford Coffin (1913-1972) produced many of Vogue's elegant fashion pictures. His portraits, also for Vogue, were an observation of worldwide art and society in the early postwar years.

## FRANCE

**DIJON** Musée des Beaux-Arts, tel: 03-80-74-53-59, closed Tuesdays. To Oct. 13: "1900-1938: Prague. Capitale Secrete des Avant-Gardes." From the turn of the century to the beginning of World War II, Prague remained a cultural crossroads and contributed to the circulation of avant-garde ideas and movements in Europe. The exhibition brings together 300 paintings, sculpture, photographs, objects and architectural drawings, from Art Nouveau to Surrealism. Alfons Mucha, Kupka, Munch and Picasso are among the artists represented.

## NICE

Musée d'Art Moderne et d'Art Contemporain, tel: 04-93-62-61-62, closed Tuesdays. To Oct. 20: "Des Modernes aux Avant-Gardes." Documents art movements from the post World War I period to the end of the 1950s, with works by artists that belonged to Dada, Fluxus

and the New Realists. Features 150 works by 25 artists including Man Ray, Picabia, Arman, Brauner, Klee and Ben, among others.

## PARIS

Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To Sept. 28: "Les Invention du Siecle." From the earliest metal construction to the latest building technology, from Gustave Eiffel to Peter Rice, a display of models and architectural documents illustrates the works of the engineer-builders of the 20th century. FNAC St. Lazare, tel: 01-55-31-20-00, closed Sundays. To Sept. 6: "Yul Brynner Photographs." Better known for his stage and screen performances, Yul Brynner was also an accomplished photographer whose work appeared in Life magazine. The show features 65 family photographs, behind-the-scenes Hollywood portraits and scenes from home videos.



Kathy Lee, Brynner's last wife, in a 1980s revival of "The King and I."

in Paris. The works have also been collected in a book written by Brynner's daughter, Musée Zadkine, tel: 01-43-26-91-90, closed Mondays and holidays. To Sept. 14: "Acrobate Mine Baril, L'Artiste en Figure Libre." Depictions of acrobats by painters and photographers such as Calder, Chagall, Leger, Man Ray, Picasso and Mapplethorpe.

## GERMANY

**COLOGNE** Museum Ludwig, tel: (221) 221-2382, closed Mondays. To Aug. 17: "Sechziger Jahre: Die Neuen Abenteuer der Objekte." An insight into the use of objects in art by European and American artists of the 1960s. Features 140 works by Arman, Cesar, Christo, Rauschenberg, Klein and Warhol, among others.

## IRELAND

**DUBLIN** Gallery of Photography, tel: (1) 671-48-54, closed Sundays. To Aug. 16: "August Sander." The photographer chronicled German society with photographs of individuals and their trades and crafts during the Weimar Republic.

## JAPAN

**TOKYO** Setagaya Art Museum, tel: (03) 3415-8011. To Aug. 20: "A. R. Penck." More than 60 paintings, 10 sculptures, and a few photographs by the German artist (born 1939). A figurative artist, Penck first dealt with social issues until the 1980s when his compositions became increasingly simplified and used figures, symbols, numerals etc.

## LUXEMBOURG

Musée National d'Histoire et d'Art, tel: 47-93-301, closed Mondays. To Aug. 24: "Pain-

tures de l'Age d'Or du Danemark." Danish paintings from the first half of the 19th century. Christoffer Eckersberg (1783-1853), Christen Købke (1810-1848) and Constantin Hansen (1804-1880) depict daily life scenes and landscapes and portraits.

## NETHERLANDS

**AMSTERDAM** Van Gogh Museum, tel: (20) 570-5200, open daily. To Oct. 12: "Vincent van Gogh: The Drawings." The second in a series of summer exhibitions presenting van Gogh's works on paper. This show covers works created while van Gogh lived in Nuenen between 1883 and 1885. Features drawings of peasants working on the land, women spinning and weavers, as well as landscape drawings.

## SWITZERLAND

**LAUSANNE** Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. To Oct. 12: "Charles Camoin, 1879-1965: Sous le Signe de Cézanne et du Fauvisme." More than 100 paintings, pastels and drawings showing the French painter's contribution to the development of Fauvism and his rejection of Cubism and abstraction. Landscapes, portraits and still lifes are on show. Musée Olympique, tel: (21) 621-6511, closed Mondays. To Oct. 12: "Ulama: Jeu de Balle des Olmèques aux Aztèques." Reliefs, paintings, and terra-cotta figures document the practice of this Meso-American ball game.

## UNITED STATES

**NEW YORK** Cooper-Hewitt National Design Museum, tel: (212) 880-6894. To Aug. 24: "The Jewelry of Tone Vigeland." Since establishing her own studio in 1961, Vigeland, Norway's foremost jeweler, has gained international acclaim for her designs in both precious and nonprecious metals. Objects in the exhibition range from earrings, bracelets, and necklaces, to metal-mesh hats, chain-mail shoulder pieces, and long mesh chains that elude definition. Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. To Sept. 2: "Oris Sherman: Unfaded Film Strips." More than 60 photographs created between 1977 and 1980, that comprise a catalogue of female roles derived from the movies, all featuring Sherman herself. National Museum of African Art, tel: (202) 357-2700, open daily. To Oct. 19: "Treasures From Tervuren." From the Belgian collection of Central African art collected by government officials and missionaries, more than 120 artifacts including objects of royal regalia, masks, figures that hold medicine and figures representing kings and chiefs. The exhibition will travel to New York, Düsseldorf and Barcelona. Solomon R. Guggenheim Museum, tel: (212) 423-3840, closed Thursdays. To Aug. 24: "From Durer to Rauschenberg: A Quintessence of Drawing." Masterworks from the Albertina and the Guggenheim. Ten drawings by each of 17 artists that offer a critical and historical look at the role of drawing in these artists' oeuvres. Features works by Raphael, Rubens, Rembrandt, Klimt, Kandinsky, J.M. W. Turner and Francesco Clemente.

## CLOSING SOON

June 28: "Arts Ruels d'Océane: La Nouvelle Ilande." Mona Blumart Foundation, Paris. June 29: "Alberto Giacometti." Kunsthalle der Hypo-Kulturstiftung, Munich. June 29: "El Greco's Annunciation: The Cycle of the Colegio de Santa de Aragon." Museo Thyssen-Bornemisza, Madrid. June 29: "Zoran Music: Retrospective." Schirn Kunsthalle, Frankfurt. June 29: "Dino Dix." Fondazione Antonio Mazzotta, Milan. June 29: "Andre Derain, 1904-1912." Museu Picasso, Barcelona. June 29: "Telsuguoro Yorozu." National Museum of Modern Art, Kyoto. June 29: "Collecting in the Gilded Age." Art Patronage in Pittsburgh, 1890-1910. The Prick Art & Historical Center, Pittsburgh.

## Shopper Alert! Beating the VAT

By Betsy Wade  
New York Times Service

**N**EW YORK — For travelers, the value-added tax is a pain, pure and simple. Those who shop while traveling are usually paying extra, often without knowing it, for the Irish sweater or the scarf from Paris.

The best estimate is that 76 countries levy some version of a value-added tax, or VAT, a national sales tax, raising prices for many purchases by 3 to 25 percent. Although about a third of these countries, almost all in Europe, have ways for international travelers to reclaim taxes on items they take with them as they leave, many visitors remain unaware of this.

Europe Tax-Free Shopping, the largest organization in the refund business, says U.S. shoppers in Europe will leave behind \$50 million in unclaimed refunds this year. The company is mounting a campaign to tell travelers of the lost money, with some self-interest: Its 400 offices at main departure points in the European Union provide cash refunds to departing travelers at a commission of 20 percent.

## GETTING A REFUND

Countries with a VAT do not apply it to their exports because it would be a price disadvantage in the world market. This exclusion is generally also applied to foreigners' individual purchases that are being taken home. Getting a refund involves taking a passport on a shopping trip and having a special slip filled out in the store. This is rubber-stamped by Customs on departure from the country and mailed back to the store, or turned in to the refund booth at the airport.

Collecting the money may not be easy. No one wants to

throw away \$50, which is what a friend hopes to get back on two London purchases, but after hearing reports of airport hassles — "by the time you get to Kennedy, it's the last thing you want to think about" — and receiving letters from frustrated readers, I tend to figure the money's spent and go about my business.

But neither will I waste half an hour of comparisons to save \$5 on a currency exchange; vacation time is worth more. That said, here is the latest on VAT refunds. The discussion here applies only to leisure travelers, who, except in Canada, can recover the tax only on goods they carry with them. Corporations can reclaim tax on their traveling employees' hotels and meals past a certain level in some countries. In Canada only, vacationers can also reclaim the tax on hotel bills.

A few generalities apply: Countries set minimum amounts that must be spent in one store (although several purchases can make up the minimum) before a refund will be made. Switzerland has a low rate and the highest minimum: A visitor would have to spend 500 Swiss francs in one store, roughly \$350, to get a refund of \$21 in what is technically called a consumption tax.

The refunds inevitably involve some tricky arithmetic. The tax rate the Swiss enacted was 6.5 percent, for example, but you wouldn't know it from the price tag. The tax isn't broken out separately. So refunds are figured as how much of the price one will get back — a different and lower percentage. In the Swiss case, a product made to sell for \$400 would be put on the counter at \$426, with the \$26 representing the 6.5 percent tax. The visitor would seek a refund of the \$26, which con-

stitutes only 6.1 percent of the total price.

However, when salespeople for refund services talk about the taxes, they tend to point to the larger number, which may lead the innocent to believe they are going to get 25 percent of the price back as they leave Sweden, for example, not 20 percent.

Where two rates are given on the chart, the country applies different rates for varied products. For example, Italy has a tax of 16 percent on shoes, fashions and textiles, and 19 percent on most other items, including leather goods. The refund on the items taxed at 16 percent works out to 13.8 percent of the purchase price; on items taxed at 19 percent, the refund amounts to 16 percent.

**FIXED MINIMUMS** British stores can set their own minimums, which are generally above the national minimum of £30 (about \$50). Most of the familiar stores participate in the Europe Tax-Free Shopping system, including Harrods, Marks & Spencer, Laura Ashley and Liberty.

The concept of refunding a VAT is mostly confined to Europe. But Singapore enacted a 3 percent VAT in 1994, with refunds initially handled by mail. In January, Singapore allowed Europe Tax-Free Shopping, now owned by CUC International of Stamford, Connecticut, to create a system there, in hopes of speeding refunds, according to Scott Shapiro, a spokesman for Europe Tax-Free Shopping. The refund in Singapore is 2.5 percent, the minimum purchase \$350. Japan has a rate of 5 percent and South Korea, 10 percent; neither has a refund system.

Australia has a VAT of 12.5 percent, and there is no refund. (The tax is eliminated there when a large purchase

such as furniture is shipped direct to the United States.)

With the Tax-Free Tourist system in a store displaying the logo, the traveler asks the clerk to fill in some blanks on a Tax-Free Shopping Cheque. At the airport for a flight leaving the country — or in the case of a country belonging to the European Union, at the last airport in the Union — the traveler should show the purchases and present the shopping blank for stamping.

Many travelers present blanks for purchases that are in their checked luggage, and this usually works. But Georgiana Corsini, the curator of Palazzo Corsini in Florence, who is involved in a cultural project supported by Europe Tax-Free Shopping, said Italy may be more severe. At an Italian tourism news conference in New York, she urged travelers to keep purchases handy for inspection. In any case, they should be in new condition, not being worn.

Then, at an airport booth in Europe or in New York, at Kennedy, the traveler can get a refund, minus the 20 percent commission, in cash or on a credit card. The refund slip may also be mailed from the European airport in a postage-paid envelope provided by Europe Tax-Free Shopping, and the refund minus the commission will be sent or credited later.

**S**OME people have used a simpler way to do it all, as well as avoid the 20 percent commission, but it requires that the shopper have confidence in the store and use a credit card. Two credit card charges are entered: one for the item and one for the VAT. The traveler gets the Customs stamp on the shopping blank and mails it back to the store. The merchant then tears up the charge for the tax.



Brynner's 1959 photograph of an elderly woman being taken away in an ambulance in Ludwigsburg, Germany.

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## INTERNATIONAL

## In Russian Sex Scandal, the Big Question Is: Who Leaked the Tape?

By Alessandra Stanley  
New York Times Service

MOSCOW — Corruption in high places is hardly new in Russia, but political sex scandals are almost unknown. So a popular tabloid newspaper created a sensation when it published pictures of what it described as the minister of justice cavorting nude with three naked women in a sauna frequented by gangsters.

Valentin Kovalyov, the justice minister, denied the allegations, saying that the pictures published last weekend were fakes leaked by enemies seeking to sidetrack his efforts to crack down on organized crime. He said he would take a leave of absence, but continued showing up for work this week.

President Boris Yeltsin formally suspended Mr. Kovalyov on Wednesday until an investigation was completed. But it remains unclear exactly what is

being investigated. Since the scandal became public, most of the attention of Russian journalists and law-enforcement officials has been on who leaked the videotape that was the source of the photos to the tabloid newspaper, *Sovershenno Sekretno* (Top Secret), and why. For now, the official inquiry seems focused on whether Mr. Kovalyov's privacy was breached rather than on his behavior.

"The very fact that such materials have been disclosed can lead to a criminal case," said Sergei Yastrzhembsky, Mr. Yeltsin's spokesman.

As in Soviet times, Russia today is not a country where people have a strong sense of privacy. People still live in communal apartments, share bedrooms with their children and cannot enter a university without providing a doctor's certificate that they are free of venereal disease.

But the notion of official secrecy and government privilege is deeply entrenched. Faced with its first major political sex scandal, Russia is responding with a more traditional appetite for political conspiracy theories.

The tape was discovered by Interior Ministry police officers, and many suspect that the police leaked the tape. Yuri Skuratov, the country's chief prosecutor, said he would investigate whether the leak violated criminal procedure.

Others suggested more sinister scenarios. "The Kovalyov story does not make us look good," Nikolai Kovalyov, chief of the Federal Security Service and no relation to the justice minister, warned Tuesday. "He was abroad representing our country and was recalled, so this is another blow against the prestige of the nation." The justice minister was traveling at the time the scandal broke.

The notion that one of the country's

top law-enforcement figures appeared to be on social terms with Arkadi Angelevich, a banker now in custody awaiting trial, was not shocking to most Russians. Nor were many appalled to see a married government official relaxing naked with women half his age.

The main surprise was that the story, and the deeply embarrassing pictures, were seen at all.

Anatoli Kulikov, minister of the interior, said the videotape of the justice minister was first discovered in the home of Mr. Angelevich, the banker who was arrested in April in connection with embezzlement. Mr. Kulikov denied that his office was the source of the videotape, arguing that it must have been leaked to compromise his detectives' case against Mr. Angelevich.

Interfax reported that Mr. Kulikov told a few reporters that there were five copies of the videotape, and that he had informed

Mr. Yeltsin of their existence in April. Mr. Kovalyov, 53, a former Communist who quit the party when he was appointed to the ministry position two years ago, is the odd man out in the new reform-minded cabinet.

Boris Nemtsov, first deputy prime minister, deplored Mr. Kovalyov's loss of privacy above all. "This scandal is very untypical for Russia," he said. "I regret to say that it brings us closer to the United States."

The Russian public also seemed appalled by the journalism, not the report. Yuliya Kudryashova, an 18-year-old student, said of Mr. Kovalyov: "He's a human, like other people and he has a right to relax sometimes. I can see nothing good in showing dirty pictures to millions of people."

Mikhail Beglov, general director of *Sovershenno Sekretno*, says his newspaper, which has a circulation of more

than 2 million, is exposing the inner workings of government that few other Russian newspapers are independent enough to explore. But even he expressed some misgivings about the reports.

"Even knowing that Kovalyov was involved in wrongdoing, we would never have published the story if we had had to install spy cameras, which in my opinion is a violation of constitutional and human rights," Mr. Beglov said. "We decided to publish it anyway, because there are so many other angles to the story, like why the tape was kept in the Ministry of Interior's safe."

One of the few defenders of the exposure was Otto Lattis, a columnist for the respected daily newspaper *Izvestia*. "I would prefer this kind of information not be acquired through a keyhole," he said. "But it would be naive to expect these kinds of dirty things to be acquired in a clean way."

## Crew on the Stricken Mir Forced to Work in Dark

## Russia Prepares Emergency Repair Mission

By David Hoffman  
Washington Post Service

MOSCOW — Short of electricity, the three men on the damaged Mir space station worked in the dark Thursday as ground crews began preparing an emergency repair mission and Russian space officials acknowledged the station is nearing the end of its useful life.

The director of Russia's space agency said the Mir mission would continue, however, and angrily dismissed the suggestion by a congressman in Washington that the United States might pull out of cooperation with Russia on the program if safety could not be assured.

One day after an orbital collision between a cargo vessel and Mir ruptured one of the research modules and sent the crew retreating for safety, plans were being laid to send critical electrical cables and other material up to Mir by a Russian rocket in 11 days. A spacewalk is being planned to make the repairs, but only after the supply ship reaches Mir.

The U.S.-Russian crew was reported not to be in any life-threatening danger, but the collision left Mir without four of the 10 batteries it was using for life-support systems and positioning control. On Thursday, the crew, including an American, Michael Foale, used precious fuel to fire thrusters and turn the ship so that its solar batteries would recharge.

Yuri Koptev, chief of the Russian Space Agency, said the solar batteries were running at 60 to 70 percent of

capacity. The crew was working in the dark, and was told not to exercise so as to conserve oxygen.

Russian officials described the accident Thursday as a five-point emergency on a scale of seven. The crash occurred when the seven-ton Progress cargo ship, which had been used to resupply Mir, failed to dock with the station in an exercise, smashed into the Spektr research vessel attached to Mir. It knocked out solar panels and punctured Spektr with a three-centimeter-square hole through which air escaped.

As the module began to lose air pressure, it was evacuated and sealed off. Spektr carried the four batteries that were being used to power the rest of Mir. On Wednesday, officials said that the crew had quickly escaped the leaking ship, but Thursday, Viktor Blagov, deputy flight director, disclosed they had gone back for a final look.

After receiving first word of the leak, Mr. Blagov said in a television interview, the crew crawled back into Spektr in search of the hole, without wearing protective suits.

"Apparently, they didn't sense great danger, and now we understand this indeed was justified, there was not great danger," he said. "It takes only one minute to close the cover."

"So, it was a natural step of the crew to take another look inside at the last minute," he said. "You can find something out. You can see something. They did that."



Leopold Eyhards, a French cosmonaut, trying on his space suit Thursday at Russia's training center in Star City. His flight is scheduled Aug. 5.

Mr. Koptev reacted testily to the statement Wednesday by Representative F. James Sensenbrenner Jr., Republican of Wisconsin, chairman of the House Science Committee, that the National Aeronautics and Space Administration should study whether Mir is safe.

"Excuse me, please," Mr. Koptev retorted, "but your congressmen don't say anything about halting flights of the shuttle after the recent unpleasantness when one of the generators failed. Well,

so — as soon as you stop the shuttle flights, we'll think about stopping Mir flights."

Mr. Blagov acknowledged that Mir may be coming close to the end of its useful life.

Asked if the number of incidents has reached the critical point, and whether the latest accident should signal the beginning of the decommissioning of Mir, Mr. Blagov replied, "To some extent you are right."

## INTERNET: Curb Is Unconstitutional

Continued from Page 1

segment of the Internet community."

He said that the government may not limit adults to "only what is fit for children." Obscenity and child pornography remain illegal.

The two dissenters were Chief Justice William Rehnquist and Justice Sandra Day O'Connor.

In a hearing on the matter in March, justices cast about for appropriate parallels in earlier forms of communication.

Was the Internet to be compared to phone calls between friends, to radio, to public speech on a street corner or in a park?

Justice Stevens, in describing the Internet's capacities, said that "any person with a phone line can become a town crier with a voice that resonates farther than it could from any soapbox."

The law, he said, would have made criminals of parents who electronically sent birth-control information to their teenage children, and could even have been applied to the Carnegie Library's card catalog.

Opponents of the federal law called the ruling a clear victory for free speech.

"The court really did understand this new medium and finds that the medium is entitled to the same kind of broad protections that books and newspapers are entitled to," said Chris Hansen, senior staff counsel for the American Civil Liberties Union in New York.

Coming on the heels of decisions in New York and Georgia against Internet limits enacted by state legislatures, Mr. Hansen said, "We now have a trio of decisions that provide extremely broad First Amendment protection for speech on the Internet." The American Library

Association said it was "delighted with the court's ruling," which it called "a historic recognition of the principles of free speech."

Among others challenging the federal law were America Online, an Internet provider, the American Society of Newspaper Editors and Apple Computer.

Those groups said the law would restrict access not only to indecent words and pictures but to discussion of issues including safe sex, homosexuality or prison rape.

Members of an anti-pornography group demonstrated outside the Supreme Court building Thursday against the decision.

A chief sponsor of the federal law, Senator Dan Coats, Republican of Indiana, said he feared that the court had "entered dangerous, unexplored territory."

The court, he continued, having long sought to protect children from indecency in other media, "has withdrawn those protections from a child on a computer in his or her own home."

New attempts to draft more narrowly worded legislation were expected. But the line drawn by the court — protecting adults' access to information — would appear to make a new approach to Internet policing technically difficult.

The Communications Decency Act was passed in 1996 but never enforced because of court challenges.

A federal court in Philadelphia declared the law unconstitutional and the Clinton administration appealed that ruling to the Supreme Court.

The act imposed no restrictions on the considerable volume of indecent material sent from computers outside the United States, which some opponents said rendered it pointless.

## HONG KONG: Christians Worried

Continued from Page 1

reau of the State Council and with the United Front Work department of the Chinese Communist Party, which oversees activities of churches.

"We had a very friendly and frank dialogue with Chinese officials," Bishop Tong said. He declined to give details, but sources familiar with the church in Hong Kong said the Religious Affairs Bureau and United Front department had told the bishops they would not set up offices in Hong Kong.

Nonetheless, potential conflicts loom over a host of issues, including visas for foreign missionaries in Hong Kong, local church groups' links with underground churches in China, the curricula of religious schools, the content of religious magazines and newspapers, and rental costs of church lands that were essentially free under British rule.

For the Catholic church, which has lived under Communist rule in Eastern Europe and other regions, the role in Hong Kong will be familiar. It will walk a delicate line to avoid conflict with the powers in Beijing while retaining as much freedom as possible to conduct services, classes and the business of the church and to serve as a bridge between the Vatican and Catholics in the Chinese interior.

Pope John Paul II's appointment of Bishop Zen last October as the bishop who will eventually run the Hong Kong diocese was one example of church maneuvering. He has been teaching at a government-approved seminary in Shanghai for several years; his contacts with China are good. At the same time, his appointment preempted any dispute over the Chinese Communist Party's role in the selection of bishops after July 1.

"The problem that I see is not about the church in Hong Kong," Bishop Zen said in a March interview with the Sunday Examiner, a church publication. "It is about our relationship with the church in China; that will be difficult."



TUG OF WAR — Police pulling a Kashmiri separatist leader, Abdul Gani Lone, away from supporters Thursday in Srinagar. He and other separatist leaders were arrested to head off a protest outside the office of the UN military observer in the city. About a dozen civilians were injured in the scuffle.

"Because if you insist on 'one country, two systems,' then they will tell you, 'Come on, we respect your system; you must respect our system,'" he continued.

"Then imagine, in the case of the persecuted church, I know one province in China where the local officials put the bishop and priests into prison and even beat the priests. What should we do? We can't just keep silent. Those are our brothers. But if we say something, Beijing will say 'You are interfering in our system.' That will be difficult for us."

The task is delicate in part because the lines between what is allowed and forbidden in China are more ambiguous than at any time in the past 40 years.

In the early 1950s, the Communist Party expelled foreign missionaries, initiated a "patriotic" church movement and forced churches to report to the United Front Work department. After Deng Xiaoping took power in 1978, priests were released from jail, and churches reopened. Nonetheless, the "patriotic" church movement has remained intact, and seminaries are supposed to sign statements recognizing the Communist Party's authority.

Bishop Tong described Beijing's attitude toward religion as controlled tolerance. "This is their dilemma," he said. "They want to be tolerant, but they also want to use religious activities to serve

their purposes under their guidance."

A vast gray area has opened up. Many underground church members take refuge in the official churches to worship. There are 70 bishops in the official church, but half have been secretly recognized by the Vatican. There are 60 bishops in the underground church, but many of them are known to the government, and some serve as priests in the official church.

Some Protestant groups in Hong Kong could face even more pressure than the Roman Catholic Church. Many of them lack the Vatican's clout or are linked to charismatic groups in China that are feared by the authorities.

## COURT: Ruling on Suicide

Continued from Page 1

the author of that decision, but said Thursday that there was a difference between a doctor who respects a patient's right to refuse treatment for a terminal disease and a doctor who assists the patient in suicide.

## Line-Item Veto Is Approved

In another ruling, the Supreme Court gave President Clinton the authority, at least for now, to veto specific items in spending bills — a power sought by nearly every president over the last century. The Associated Press reported.

The court cleared the way for Mr. Clinton to use the so-called line-item veto by ruling, 7 to 2, that six members of Congress lacked the proper legal standing to challenge the federal law that gave him such power.

The justices made it clear, however, that the law could be challenged by anyone affected by a line-item veto once the president exercises that authority.

Senator Dan Coats, Republican of Indiana and author of the line-item veto legislation in the Senate, called the decision "a victory for common sense and fiscal integrity."

"There is no constitutional reason why the president should not have the same ability as more than 40 governors to line-item out ridiculous and wasteful spending. This is a good decision."

The decision set aside a ruling in which a federal judge struck down the law as unconstitutional after finding that the six members could sue to challenge it.

The judge ruled that the law shifted too much power from Congress to the president.

Justice Rehnquist wrote for the court that the six members of Congress "have alleged no injury to themselves as individuals."

Presidents have hailed line-item veto power as a valuable tool to control wasteful spending voted by members of Congress.

## BRIEFLY

## Turkey Prolongs Kurdish Air Patrol

ANKARA — The Turkish Parliament approved Thursday a six-month extension of an aerial surveillance operation, led by the United States, to protect Kurdish regions in northern Iraq.

Deputies passed a motion to extend the mandate for a U.S.-British force based at the Incirlik air base in southern Turkey. The force has been patrolling to protect Kurds from any attack by Baghdad since the Gulf War ended in 1991.

Turkish deputies have often complained that the air shield helped to establish a power vacuum that has been exploited by Kurdish rebels using bases in northern Iraq. Turkish security forces, involved for six weeks in an anti-rebel operation in northern Iraq, have mostly withdrawn from the region. (Reuters)

## Brazzaville Airport Engulfed in Battle

BRAZZAVILLE, Congo Republic — Rival camps in the Congo Republic's civil war battled for control of Brazzaville's airport on Thursday, with both claiming victory while shells rained down for a second day.

Artillery thundered around Maya-Maya Airport a day after forces loyal to Denis Sassou-Nguesso launched an assault to capture it from forces loyal to President Pascal Lissouba.

Fighting has cut the city down the middle since early June and is now focused on the strategically important airport.

The International Committee of the Red Cross, the only aid agency at work in the capital, said its handful of foreign staff members were leaving as the situation deteriorated. (Reuters)

## 4 Algerians Killed

ALGIERS — A bomb exploded in a working-class suburb of Algiers on Thursday morning, killing 4 persons and wounding 20, hospital officials said. It was the latest in a series of post-election attacks.

The bomb went off in the Harhach neighborhood, southeast of Algiers, said the officials, who spoke on condition of anonymity.

There was no claim of responsibility, but suspicion fell on Muslim militants. On Wednesday, a bomb planted in a train leaving from the same suburb wounded 50 people, hospital officials said. (AP)

## AFRICA: Flexing Its Military and Diplomatic Muscle, Nigeria Struggles to Impose Order on Its Neighbors

Continued from Page 1

and that often involves the grabbing up of resources by their own generals or for their own companies.

Others see Nigeria playing a largely positive role. The hasty withdrawal of the West at the end of the Cold War allowed Sierra Leone and Liberia to disintegrate into stateless battlegrounds between military governments and local warlords; whatever its motives, defenders point out, Nigeria filled the vacuum.

After seven years of costly intervention to try to end the civil war in Liberia, the closest thing to an American colony that has ever existed in Africa, Nigeria's

rulers are now overseeing final preparations for what could be the first truly democratic elections in Liberia, on July 19.

"Imagine you are in a river drowning, and a huge snake swims by, so you climb on its back, and it carries you to the bank," said Wilson Tarpeh, a prominent Liberian businessman. "It has still saved your life, even if it remains a snake."

"If we had had the United States or someone else to help us, we would have loved it. But in the end, Nigeria came in and stopped the carnage here and has brought us peace."

This is clearly the thought that Nigeria's president, General Abacha, a man largely isolated from the world

stage because of the human rights record of the Nigerian military, would like the outside world to focus on.

"It is our duty to insure that there is peace and stability in our sub-region because if Sierra Leone were to be destabilized, it will destabilize neighboring countries and would cross to Nigeria," Nigeria's foreign minister, Tom Ikimi, said recently in a radio interview.

In fact, as in the case of any regional power, analysts say General Abacha's foreign policy interests are diverse and sometimes conflicting. They include: keeping his military busy to prevent it from plotting a coup, making money through what are seen as corrupt busi-

ness deals, creating a constellation of friendly neighboring regimes and improving a tarnished international reputation by promoting democracy elsewhere.

Of all these concerns, many Nigerian critics say that democracy is the least important element in the equation.

"In Sierra Leone, Abacha would have intervened even if it had been a military regime that was overthrown," said Bolaji Akinyemi, a former Nigerian foreign minister who is now a dissident living in exile in London. "The point is that he cannot tolerate a coup against a government perceived to be under his protection."

The results of Nigeria's foreign

policies have been as mixed as the apparent motives.

Liberia appears to be emerging from its long nightmare of civil war because of Nigeria's heavy investment in peace-keeping there. But last year the Liberian capital, Monrovia, was destroyed when Nigeria allowed Charles Taylor, who started the conflict in 1989, to bring large numbers of fighters and weapons into the city to attack a rival.

A Western diplomat who has long monitored the involvement in Liberia said: "By the time the Nigerians really got serious about bringing this war to an end, sometime last year, by most reckoning they had taken just about everything that there was to take from Liberia."

هكذا من الأصل







## INTERNATIONAL

## IRAQ: A Retired CIA Operative Surfaces With Details and Criticism of the Failed American Effort to Overthrow Saddam Hussein

Continued from Page 1

generals in the belief that they had a chance to quickly overthrow his regime.

Mr. Mark and some other senior CIA officials believe the bureaucratic warfare undermined a promising effort to cage Mr. Saddam. But Mr. Mark said he was publicizing his past activities to dramatize his view that the agency did not bear sole responsibility for a broad policy failure that implicated the White House, Congress, the Pentagon and the State Department as much as it did the CIA.

His matter-of-fact, precise descriptions of risky agency exploits in the remote Kurdish homeland of northern Iraq center on the help provided to the Iraqi opposition to assemble a force capable of taking on an Iraqi Army division in March 1995.

Parts of the story of the failure of that offensive, and the rout of the competing CIA attempt to organize a palace coup against Mr. Saddam, have been previously published. Among the new points about the operation, which absorbed at least \$100 million in U.S. funds and cost the lives or freedom of hundreds if not thousands of Iraqis who worked with the agency, are these: A top CIA covert operative — known to the Iraqis as "Bob" and not further identified in this account because he is still in covert service with the CIA — designed what the Iraqis called the "Bob plan" for a direct attack on the Iraqi Army in March 1995.

The goal was to demonstrate the rebels'

strength and, hopefully, highlight the unwillingness of Iraqi troops to fight to defend Mr. Saddam. Mr. Mark and "Bob" were the two principal CIA agents working in northern Iraq with the National Congress rebels. According to Mr. Chalabi, the "Bob plan" included a secret contact with Iran — a neighbor and bitter foe of Iraq — seeking Iranian complicity in the Iraqi rebel attack. But Washington quickly disavowed that message and withdrew support for the operation.

As its first step in the campaign to bring down Mr. Saddam, the agency hired an American public relations and political lobbying firm, the Rendell Group of Washington, to develop a worldwide propaganda campaign. John Rendell, head of the firm, is a former campaign consultant for Jimmy Carter. Congress — particularly the Senate Intelligence Committee, which sent two staff aides along with CIA agents on evaluation missions in the north — has played a major role in pressing for covert action and in shaping a program that many at the agency saw as doomed to fail from the outset.

The CIA official with direct departmental responsibility for the ill-fated operation, Steven Richter, is said by agency insiders to be the leading candidate for the powerful position of director of operations at the agency — head of the CIA's clandestine wing — if President Bill Clinton's designated director of central intelligence, George Tenet, is confirmed by the Senate in mid-July as expected.

The accounts offered separately by Mr. Mark

and Mr. Chalabi were supported in many details, and in their overall thrust, by nearly 100 hours of interviews over several months with other CIA officers who asked not to be named, with Iraqi opposition figures and military defectors and with U.S. and foreign diplomats having direct involvement in or knowledge of American policy in the Gulf.

Mr. Mark, a veteran of the CIA's successful insurgency campaign in Afghanistan and a Turkish-language specialist, describes the fundamental error he thinks the agency made this way:

"In northern Iraq we ran a political program that was to eventually reduce Saddam's control over Iraq and make him nothing more than the mayor of Baghdad. That kind of slow, salami-slicing operation worked in Afghanistan, and against the Soviet Union in the Cold War. But then came pressure from the top for the quick kill — for a coup on deadline — and we lost our way."

Mr. Mark declined to speculate on the motivation for that shift. Other CIA officers viewed the shift as a prudent hedging of bets that went awry. Others said the National Congress was seriously hampered from the start by feuding among its rival Kurdish factions and lack of support among Iraq's politically dominant Sunni Arab religious group and neighboring governments.

Two CIA sources noted that the pressure within the Clinton administration to get on with overthrowing Mr. Saddam accelerated when John Deutch moved from the Defense Department

to become CIA director in May 1995, and intensified more as the 1996 presidential election campaign moved nearer. Mr. Deutch, now teaching at the Massachusetts Institute of Technology, declined to comment for this article, as did the CIA's office of public affairs. A White House official denied that any pressure had been exerted on the CIA for political reasons.

The Iraq operation spans two presidencies and grows out of a miscalculation by President George Bush and the U.S. generals who prosecuted the Gulf War against Iraq in 1991. They assumed the humiliated Iraqi Army would finish the job they started by overthrowing Mr. Saddam, according to senior Bush officials.

When that did not happen, Mr. Bush signed what agency personnel call a "lethal finding," and ordered the CIA to create the conditions that would lead to a change in regime in Iraq. The leaders of the agency's Iraq Operations Group doubted they could easily accomplish what an international army of 500,000 men had failed to do.

But they began drawing up a classic covert operation similar to those that had worked with varying degrees of success over the past half-century in Iran, Guatemala, Afghanistan, Nicaragua and elsewhere in the Third World.

"Lethal findings" — under which the agency can with two exceptions undertake whatever action is needed, even if that action would lead to fatalities — are rare. Mr. Mark only worked in two situations covered by such a document: Afghanistan and Iraq.

Under U.S. law, CIA officers cannot directly participate in an assassination plot. And they cannot suggest in their propaganda that the United States will support a public uprising against an entrenched regime.

Some agents call this latter red line — a standard one in covert action — "Biden's rules." The agency was accused of having incited the Hungarian population to rise against Soviet occupation in 1956 and then having done nothing to help fight the Russians.

The initial funding for the Iraq operation was set at \$40 million, according to two independent sources.

"The question we kept getting from the White House then was 'How much do you need?'" said a CIA source. "After Clinton and national security adviser Anthony Lake came in, it changed to 'How much can you get along on?'" At several key points, the Clinton White House refused to come up with a few million dollars jeopardized or stymied the whole operation.

Upon his arrival in 1995, Mr. Deutch not only gave the coup effort the green light but also pressed his agency to set "milestones" for getting the job done. Some officials had the impression they were facing a deadline of about a year, in time to remove Mr. Saddam as an issue in the 1996 election.

But Mr. Chalabi, Mr. Mark and others in the agency were telling the operations group that the National Accord, a dissident group, was deeply penetrated by Mr. Saddam's agents from the beginning.

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## Asia Times To Suspend Publication

Thai Sees Media Plan Failing After 18 Months

By Velisarios Kattoulas  
International Herald Tribune

HONG KONG — The Thai entrepreneur Sondhi Limthongkul said Thursday he would halt publication of his flagship Asia Times because of a cash-flow crisis at the daily newspaper.

Mr. Sondhi, who in 1995 set out to become what he called an "Asian Rupert Murdoch," said he wanted "to re-evaluate the business side of Asia Times" before relaunching it in two to three months.

But analysts said the Bangkok-based newspaper, the centerpiece of Mr. Sondhi's plan to build an Asian media empire, including a satellite television network, was unlikely to reappear at newsstands again.

Its closure 18 months after its launching highlights the tight competition in the market for English-language newspapers in Asia, analysts said. It also illustrates the scale of the financial difficulties at Manager Media International, Mr. Sondhi's publishing business, which has been hit hard by Thailand's worst economic crisis in a decade.

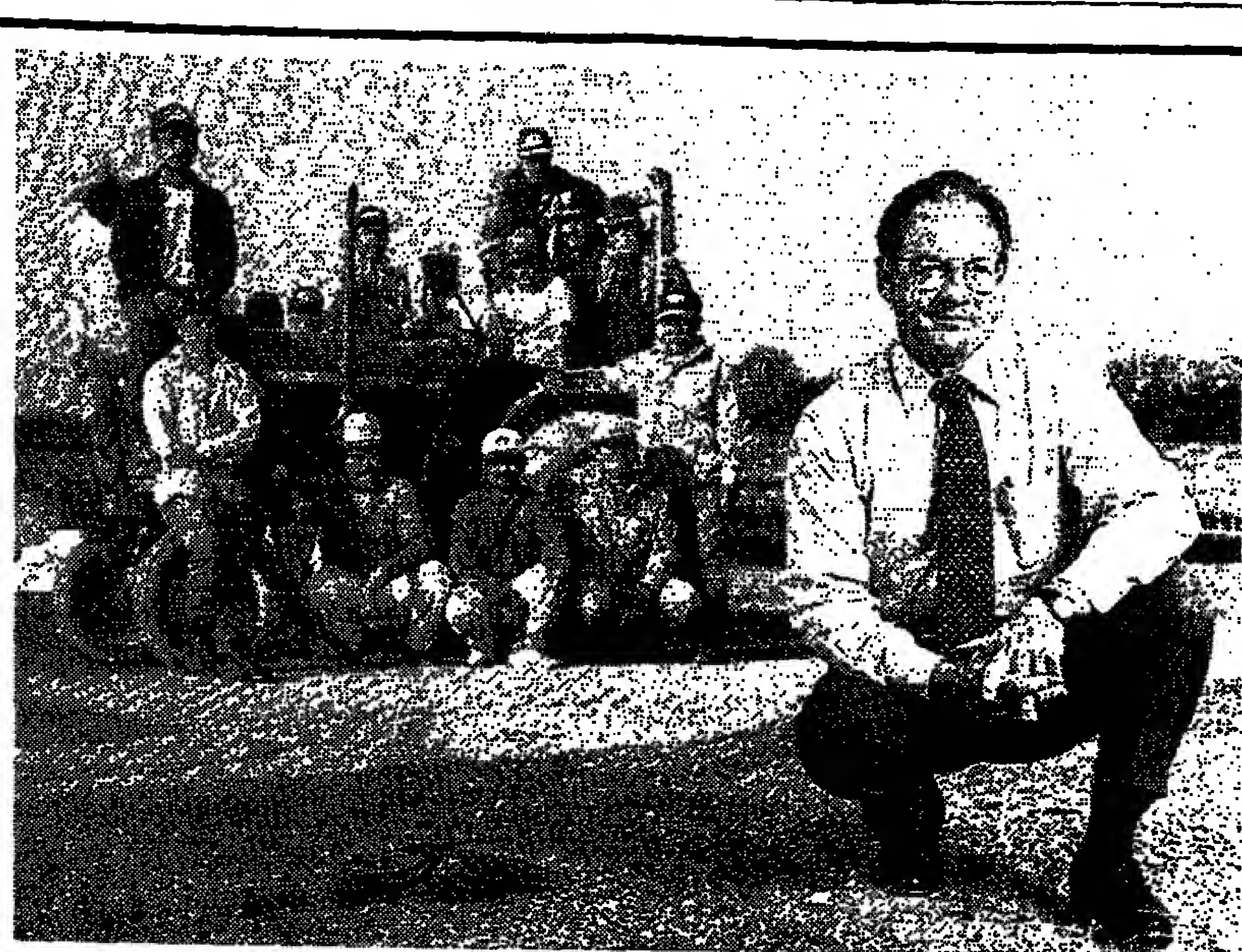
Mr. Sondhi started his quest to become a media baron with an \$800 million roll of the dice in 1995. A flamboyant former journalist, he announced in December of that year that he was adding Asia Times to his stable of media properties and laid out plans for a pan-Asian satellite television and data network. He intended, he said later, to become "the first Asian to get up and fight the Western press."

But his empire now shows signs of coming apart. He owns around 30 magazines and newspapers in Thailand, Hong Kong, China and the United States. His proposed satellite TV venture has been called imprudent and there is some doubt that it will ever get off the ground.

Recent attempts to raise much-needed capital for the TV venture have come up short, according to industry sources. An additional \$675 million is needed to finance the project, on top of its \$125 million in existing capital.

And some important investors have pulled out, including United Communications Industry, a telecommunications company based in Bangkok that is partly owned by Goldman, Sachs & Co.

The announcement to suspend publication of the Asia Times following Friday's edition came after months of



Griff Mason, foreground, president of McKay Nursery Co., which has evolved into an employee-owned firm.

## Putting Stock in Migrant Workers

By Barnaby J. Feder  
New York Times Service

WATERLOO, Wisconsin — Like most farms reliant on seasonal field workers, McKay Nursery Co. long ago gave up the notion that it could afford wages high enough to make such dirty, wearying labor attractive to unemployed Americans.

"We haven't had a local market for entry-level farm labor since the 1960s," said McKay's president, Griff Mason, recalling how the company turned to migrant Mexican workers to sustain its nursery here in southeastern Wisconsin. "People here just didn't see it as a place to start a career."

Since then, however, McKay has veered far from the norm in agriculture. It has quietly evolved into an employee-owned enterprise where many migrant workers not only play an increasingly influential role, but annually receive chunks of stock in the company. Mr. Mason projects that the stock distributions and related bonuses will compound into a nest egg of at least \$100,000 in 30 years for even the most lowly paid.

"I don't feel like an owner," said Guillermo Castillo, a 28-year-old native of Zacatecas, Mexico, who freely admits he is confused about the details of the company's ownership structure and his accumulating holdings. "But I

do feel like a partner," he added, noting that some peers had kidded him in his early days about the amount of unpaid work he performed caring for young plants.

Such attitudes — and the opportunities that created them — are so rare in the world of migrant labor that McKay caught the attention of the Business Enterprise Trust, a California foundation created by the television producer Norman Lear to honor businesses that combined financial success with social vision.

In February, Mr. Mason, along with Richard Knoke, the company's nursery superintendent, and Reuben Almazan, a migrant worker who has been coming north annually from Texas to work McKay's fields for 35 years, were lauded by business leaders and President Bill Clinton at the foundation's annual awards ceremony in New York.

McKay's award was a public reminder that many Americans are angered or embarrassed every time they are confronted with agriculture's reliance on impoverished migrants — and with the way many companies treat them.

Conditions have improved for the nation's 1 million farm workers since Edward R. Murrow's shocking 1960 CBS documentary "Harvest of Shame." Most now get unemployment insurance, Social Security,

workers compensation coverage, clean water and access to toilets.

After adjusting for inflation, though, wages have been declining for 30 years, as illegal immigrants continue to flood the labor market. The most recent Department of Labor surveys estimate that the number of illegal aliens working on farms jumped from less than 10 percent in the 1988-89 crop year to 37 percent in 1994-95. Labor leaders say the actual figures are higher.

Meanwhile, many seasonal workers have seen their cost of living soar. Employers have avoided charges that they provide substandard housing by simply shifting to the workers the burden of finding housing and transportation to work.

Nor have the most flagrant abuses entirely disappeared. Last month, three men pleaded guilty in South Carolina to enslaving migrant workers who had illegally entered the country from Mexico. "There's rampant violations of the minimum wage laws," said Bruce Goldstein, director of the Farmworker Justice Fund in Washington.

Debate about migrants is an annual event in Congress. This year, growers are backing a bill in the Senate to make it easier to import more so-called guest workers — foreign nationals who are allowed to enter the United States temporarily for specific employers. Farm

See MIGRANTS, Page 17

## Germany to Transfer Telekom Stake to Bank

Bonn Seeks Sale to Strategic Investor

BOON — The government said Thursday it would transfer a 25 percent stake in Deutsche Telekom AG to a state bank, in a move that could help the government raise money without flooding the market with Telekom shares.

The two-stage transfer will raise between 10 billion Deutsche marks (\$5.81 billion) and 15 billion DM for the government in both 1997 and 1998, said the bank, Kreditanstalt fuer Wiederaufbau. Deutsche Telekom said it would seek a "strategic investor" to take over the stake from the bank.

German government sources have said the sale could raise as much as 25 billion DM over two years, but it was unclear whether Bonn would be able to use the funds to meet the budget targets for monetary union.

"It is a pure accounting trick," said David Brickman, European economist with Yamaichi International. "It will not help them qualify for European monetary union at all."

European countries are struggling to cut their annual deficits to 3 percent of gross domestic product and their overall debt to 60 percent of GDP this year to qualify for monetary union, scheduled to be launched on Jan. 1, 1999. The French government decided last year to transfer 37.5 billion French francs (\$6.45 billion) from France Telecom SA's pension fund to its budget to meet the condition.

"The France Telecom move is far worse because it increases the liability of the state," Mr. Brickman said. He said the Telekom sale could reduce Germany's deficit-to-GDP ratio to between 61 percent and 61.5 percent.

Investors welcomed the accord between Telekom and the government. The government sold a 24 percent stake in the company in November in Germany's largest initial public offering ever and would have had to change the law to sell more shares to the public before 2000.

"I think it is an acceptable solution," said Rolf Knigge, head fund manager at Metzler Investment GmbH. "The gov-

ernment gets its money and no new shares come onto the stock market."

Telekom said it would look to "current and future international partners" to take over the stake. "This will increase the company's flexibility in order to become a global player," said Telekom's chief executive, Ron Sommer, on Thursday.

Telekom, France Telecom and Sprint Corp. are partners in Global One, an international telecommunications company. The German and French companies each own 10 percent of Sprint.

"I think it will be hard to find a partner, because the Telekom stake is so large," Mr. Knigge said. He said Telekom would probably have to swap stakes with a partner rather than sell the stake for cash.

"It's a very clever move by Deutsche Telekom especially if they chose a partner in Asia such as Nippon Telegraph & Telephone in Japan," said Hans Peter Neuroth of Oppenheim Finanzanalyse. Telekom shares fell 40 pfennig to 42.50 DM.

After the transfer to the bank in two stages, the government's 75 percent stake in the company will be pared to about 50 percent. Analysts say an equity swap between Deutsche Telekom and France Telecom is possible to anchor their strategic alliance, but only if France Telecom is privatized.

(Bloomberg, Reuters)

## Money Union Under Threat

A senior Bundesbank policymaker has said that Europe's planned monetary union is threatened by "fundamental dissent" between France and Germany and by a lack of political cohesion.

Reinhold Jochimsen, a Bundesbank council member, said economic and monetary union "hangs in the balance" because last week's Amsterdam summit meeting of European Union leaders had failed to give a solid basis for further political integration.

"I'm not against the euro," he said Wednesday. "It can be a good thing if the political and economic preconditions are right. They are not at present."

## Paris Denies Reports Of France Telecom Sale

'No Decision Made,' Jospin Spokesman Says

PARIS — Confusion deepened Thursday over the government's plans to sell shares in the state-owned phone company, France Telecom, as a spokesman for Prime Minister Lionel Jospin denied press reports that the sale would proceed in the autumn.

The secretary of state for industry, Christian Pignatelli, came out in favor of at least a partial sale, and a government source said Finance Minister Dominique Strauss-Kahn also favored a partial sale of France Telecom.

But Manuel Valls, the spokesman for Mr. Jospin, stressed that "no decision has been made."

"We have three objectives," Mr. Pignatelli said in an interview with the French newspaper Liberation. "Consolidate France Telecom's position as a leading European operator, guarantee its independence and allow it to reach a critical size on the international market. To my mind that implies at least some exposure to the markets."

France Telecom's initial public offering was thrown into doubt by the election June 1 of a Socialist-led government, which had pledged during the campaign to stop state asset sales. Mr. Jospin said last week that he remained "hostile" to the sale of state-owned companies, without explicitly ruling out the sale of France Telecom.

Any decision to indefinitely cancel the offering, which would be the biggest in French history, could throw into doubt France's ability to qualify for the European Union currency, the euro. It could also hinder France Telecom's ability to forge international alliances with private companies, analysts said.

Mr. Jospin has said he wanted to consult France Telecom staff before deciding whether to proceed with the privatization. The sale was expected to generate from 30 billion to 50 billion francs (\$5.2 billion to \$8.6 billion).

"The government wants to find a face-saving way of selling shares in France Telecom," said Elie Cohen, a member of France Telecom's board of directors until last year and an economist at the National Center for Scientific Research.

"The problem is reconciling the financial needs of the state and the campaign commitments of Jospin," Mr. Cohen said. The government was likely to try to swap shares with France Telecom's international partners, Deutsche Telekom AG and Sprint Corp., at the same time that it sold shares on the market and to France Telecom employees. It could then justify the sale of shares on the market by saying it was part of a broader attempt to improve the company's international alliances.

(AFP, Bloomberg, Reuters)

## Thinking Ahead / Commentary

## Americans, if Wise, Should Not Knock the Euro

By Reginald Dale  
International Herald Tribune

CERNOBBIO, Italy — The latest trials and tribulations of Europe's move in Europe toward a single currency, the euro, have been greeted with undisguised glee by many U.S. commentators.

It is as if some Americans feel that uppy Europeans deserve to be punished for wanting their own version of the dollar — and that a squabbling Europe is somehow preferable and more reassuring than one that is growing stronger.

Many of the Americans who criticize the euro hope it will not survive. European policy differences over whether priority should go to fighting inflation, as Germany insists, or to creating jobs, as France wants — a difference that has emerged more openly since the French Socialists' election victory in June.

Fortunately, these were not the views of a sophisticated group of U.S. policymakers and analysts who met here on Lake Como this week with European counterparts at a conference organized

by the Council for the United States and Italy.

Now that the euro is well on the way, said William McDonough, president of the Federal Reserve Bank of New York, it is "absolutely in the best interests of the United States" that it succeed. A massive leadership failure in Europe, the closest U.S. geopolitical partner, would not be in America's interest.

Such a failure would also, of course, provoke a crisis of economic and political confidence in Europe itself, a crisis that would also certainly lead to even higher unemployment, social unrest and perhaps collapse of the European Union's single market.

History suggests that if the euro succeeds, American companies will benefit immensely from a more smoothly functioning single market and a much bigger and more efficient capital market.

But there is still great skepticism among American economists — not so much over whether the euro will start on time in January 1999 as over its fate thereafter.

Otto Graf Lambsdorff, a leading

member of the Free Democrats in Germany, said hardly any respectable American economists were forecasting success for the euro, and that even the Federal Reserve Board chairman, Alan Greenspan, had doubts.

One distinguished American participant here admitted, however, that American and British economists tend to decide they do not like the euro, and then they think up reasons why it won't work — just as economists from the Continent search for reasons it will work.

Some Americans argue that it would be easier for the Europeans to restructure their economies and to tackle unemployment without the policy constraints imposed by the euro. But many Continental Europeans tend to believe the euro is part and parcel of the solution.

The Europeans are probably right. Competition in the single-currency area should force participating nations to become more efficient and to open up their labor markets, as virtually every economist believes is necessary.

Already, said Fabrizio Saccomanni of the Bank of Italy, the rules for euro membership contained in the European Union's Maastricht Treaty have been "a tremendous force for adjustment and liberalization."

But Mr. Saccomanni insisted it would be a fallacy to suppose that a "broad" euro comprising 11 nations, including Italy, would necessarily be a weak currency. The euro's value will depend primarily on the participating central banks, all of which are following tough anti-inflationary policies.

If they were not doing so, Germany would never agree to launch the euro. The final decision will depend on politics more than on economics, which is why the arguments of American economists will ultimately be irrelevant.

Nobody can be sure that it will work. But instead of rejoicing in misfortune of the euro, Americans should be hoping that it will succeed.

## 6 Quit Nat West In the Wake of Pricing Scandal

Bloomberg News

LONDON — National Westminster Bank PLC said Thursday that six investment bankers had resigned from its markets unit because they shared responsibility for an options pricing scandal that cost the bank \$90 million (\$150 million).

The bank also confirmed that it had lost a net \$77 million after declining to pay some bonuses and taking money from a reserve fund. It said it was implementing new systems for checking the pricing of securities.

In March, NatWest Capital Markets said a trader — later identified as Kyriacos Pappas, a former employee — had reported the wrong prices in options trades to cover up losses. The bank's summary of a report on the scandal said that the independent system for checking prices of interest rate options were not "sufficiently robust."

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Italy	1.36	0.68	1.70	14.35	91.8	11.36	1.13	5.46	1.13
Japan	107.5	53.7	143.2	1195	736.0	58.33	5.63	27.0	5.63
Netherlands	1.36	0.68	1.70	14.35	91.8	11.36	1.13	5.46	1.13
Spain	1.66	0.82	2.00	16.65	108.0	13.76	1.36	6.46	1.36
Sweden	1.36	0.68	1.70	14.35	91.8	11.36	1.13	5.46	1.13
Switzerland	1.36	0.68	1.70	14.35	91.8	11.36	1.13	5.46	1.13
UK	0.69	0.34	0.92	7.75	50.0	6.35	0.63	3.05	0.63
US	1.00	0.50	1.00	8.00	50.0	6.35	0.63	3.05	0.63

Libid-Libor Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
2-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
5-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
10-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
30-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
2-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
5-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
10-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
30-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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NYSE

Thursday's 4 P.M. Close  
Notable price changes in the last trading session.  
The Associated Press.

Symbol	Price	Change
IBM	104 1/4	+1/4
Microsoft	54 1/4	+1/4
Apple	42 1/4	+1/4
Oracle	34 1/4	+1/4
Sun	24 1/4	+1/4
HP	14 1/4	+1/4
Intel	12 1/4	+1/4
Motorola	11 1/4	+1/4
Comcast	10 1/4	+1/4
Verizon	9 1/4	+1/4
AT&T	8 1/4	+1/4
WorldCom	7 1/4	+1/4
Qwest	6 1/4	+1/4
Sprint	5 1/4	+1/4
Time Warner	4 1/4	+1/4
News Corp.	3 1/4	+1/4
Disney	2 1/4	+1/4
Walt Disney	1 1/4	+1/4
Amgen	1 1/4	+1/4
Boeing	1 1/4	+1/4
Lockheed	1 1/4	+1/4
General Electric	1 1/4	+1/4
Westinghouse	1 1/4	+1/4
Johnson & Johnson	1 1/4	+1/4
Pfizer	1 1/4	+1/4
Merck	1 1/4	+1/4
Novartis	1 1/4	+1/4
Roche	1 1/4	+1/4
Schering-Plough	1 1/4	+1/4
Abbott	1 1/4	+1/4
Amgen	1 1/4	+1/4
Boeing	1 1/4	+1/4
Lockheed	1 1/4	+1/4
General Electric	1 1/4	+1/4
Westinghouse	1 1/4	+1/4
Johnson & Johnson	1 1/4	+1/4
Pfizer	1 1/4	+1/4
Merck	1 1/4	+1/4
Novartis	1 1/4	+1/4
Roche	1 1/4	+1/4
Schering-Plough	1 1/4	+1/4
Abbott	1 1/4	+1/4

IBM, Microsoft, Apple, Oracle, Sun, HP, Intel, Motorola, Comcast, Verizon, AT&T, WorldCom, Qwest, Sprint, Time Warner, News Corp., Disney, Walt Disney, Amgen, Boeing, Lockheed, General Electric, Westinghouse, Johnson & Johnson, Pfizer, Merck, Novartis, Roche, Schering-Plough, Abbott.

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**Herald Tribune**  
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THE WORLD'S DAILY NEWSPAPER

IBM, Microsoft, Apple, Oracle, Sun, HP, Intel, Motorola, Comcast, Verizon, AT&T, WorldCom, Qwest, Sprint, Time Warner, News Corp., Disney, Walt Disney, Amgen, Boeing, Lockheed, General Electric, Westinghouse, Johnson & Johnson, Pfizer, Merck, Novartis, Roche, Schering-Plough, Abbott.

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Continued on Page 19

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## ASIA/PACIFIC

## Firms Discover Limits of India's Middle Class

By Miriam Jordan  
Special to the Herald Tribune

NEW DELHI — Daewoo Motor Co. Ltd. gives away 200 sedans for an 18-month "test drive." Whirlpool Corp. offers buyers of refrigerators and washers the chance to win an apartment and a car. Akai Electric Co. Ltd. lures customers for its color televisions by paying handsomely for their old sets.

A nationwide clearance sale is on in India. Lured by estimates that India's middle class is the size of the population of the United States or several European countries combined, makers of everything from corn flakes to cars flocked here after free-market reforms in 1991 began to transform the economy.

Now, with inventories mounting, multinationals are discovering that "the middle class of India is not the middle class of the West, by a long shot," said K.B. Dadiseth, chairman of Hindustan Lever, the Indian subsidiary of the Anglo-Dutch consumer giant Unilever PLC.

In much of the West, a middle class family has a mortgage, car, personal computer and enough savings for an annual vacation. In India, "middle class is a family that can afford to eat a balanced diet, send the children well-dressed to school and buy a black and white television," Mr. Dadiseth said.

A 1996 Gallup poll found that the average Indian household earns \$780 a year. Half that income goes to food and clothing, the survey determined.

What is more, when they do spend on consumer goods, Indians have a number of local brands to choose from. These realities are prompting many multinationals to review their break-even dates and market strategies.

Nothing illustrates the disappointment more than the accumulation of midsize American, European and South Korean cars, priced at \$15,000 or more. Total car sales rose 19 percent, to 411,000, for the year ended March 1997, but the market was dominated by an Indian subcompact that cost \$6,000. The Association of Indian Automobile Manufacturers has scaled back its projection for car sales by the year 2000 to 700,000 from 850,000.

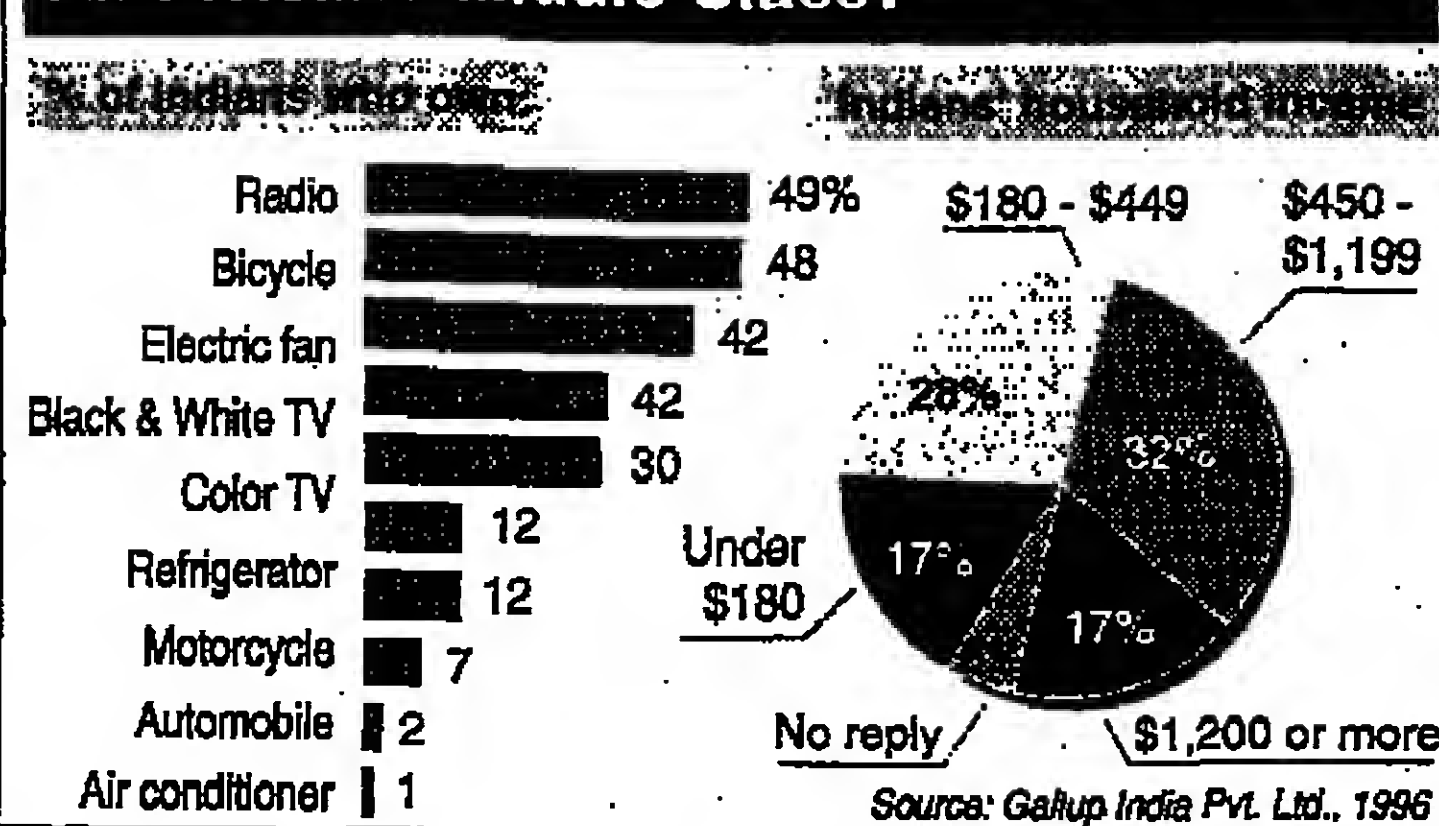
Daewoo Motors' plant outside New Delhi operated at one-third its capacity last year. The company sold less than 16,000 Cielo sedans, half what it had anticipated. "We were very surprised," said S.G. Awasthi, managing director of Daewoo in India. To get Indians into its showrooms, Daewoo offered 200 Cielos for 18-month test drives. Some 350,000 Indians have applied for the lucky draw.

"Companies wishfully overestimated the size of the middle class," said Amit Roy, President of ORG/MARG, a leading market research firm.

In New Delhi, the nation's richest city, home-theater and stereo televisions are languishing on store shelves. "The income of Indians is too low to justify buying such products," said Ravi Chhadra, owner of a home appliance store in a middle class neighborhood. He noted that most of his customers buy 20-inch (\$1-centimeter) color sets, priced at \$250, in installments.

Annual sales of color television sets stagnated at 1.9 million sets in 1996, and the Consumer Electronics & Television Man-

## An Invisible Middle Class?



Source: Gallup India Pvt. Ltd., 1996

ufacturers Association now expects Indians to have bought 5 million sets by 2000, five years later than forecast. Akai, Sony Corp., Daewoo and Samsung Electronics Co. Ltd. are just some of the foreign entrants into the saturated market.

"Sony is working on reducing its prices to have better results," said Y. Kubo, who heads Sony's wholly owned Indian subsidiary.

The battle for market share in India has driven some of the world's leading brands to craft audacious sales promotions, while competitors are quick to foul.

Early this year, General Electric Co. and its Indian partner, Godrej, took Whirlpool's Indian unit to court to stop it from offering refrigerator and washing machine buyers the chance to win prizes that included an apartment in New Delhi. Invoking an Indian unfair-trade act, Godrej/GE Appliances accused Whirlpool of "luring gullible consumers" to buy a refrigerator or washer

So, how big is the Indian middle class?

Whirlpool currently estimates that 65 million people can afford to buy a refrigerator. But only 35 million are potential buyers.

"You can't expect someone to buy a refrigerator if he still doesn't own a radio," said Garrick D'Silva, managing director of Whirlpool India.

Reebok International Ltd. reckons that 50 million Indians can afford its sports shoes and apparel.

Still, "to capture that 50 million, you need a very good distribution network," cautioned Mukesh Pant, managing director of Reebok India.

The country's buying power is scattered, and much of it lies untapped in medium-sized towns made remote by potholed roads.

"Nobody doubts that India will be one of the world's biggest markets," Mr. Pant said. "The question is how long will it take to get there."

## Fighting to Survive Seoul Bank Assails Reform Plans

## Kia Motors Trims Payroll to Cut Cost

Compiled by Our Staff From Dispatches

SEOUL — Kia Motors Corp., South Korea's third-largest automaker, said Thursday it would transfer a third of its employees to a sales subsidiary in a bid to slash costs and revive slowing sales.

Kia will relocate 10,000 employees, trimming its work force to 19,000, said Chun Sang Jin, a company spokesman.

The move comes as its debt-ridden parent company, Kia Group, struggles to survive by selling real estate holdings and asking banks for emergency loans.

Analysts said the reorganization might encourage banks to help Kia, which has an estimated debt of \$6.2 billion. The state-run Yonhap news agency said Kia executives met with banks Thursday to ask them to stop recalling loans.

"The massive restructuring is part of the company's long-standing policy to rationalize management," Mr. Chun said.

Separately, Kia Motors' labor union said Thursday it would allow management to set this year's wage increase, a move analysts said would reassure skittish lenders.

"Management has fully explained about the company's financial position and asked for our understanding," the union's chairman, Lee Seung Jae, said. "To break the chain of financial pressures, we needed a tangible decision."

Kia Motors, which has an annual production capacity of 1.1 million cars, has \$3.5 billion of debt, more than twice its shareholders' equity.

Labor strikes in January, a slowing economy and a shrinking auto market contributed to creating Kia's troubles this year.

The company's domestic market

share dropped to 19.2 percent in the first five months of the year, down from 25.8 percent in the comparable period a year earlier. Daewoo Motors Co. overtook Kia as Korea's second-biggest car manufacturer behind Hyundai Motor Co.

Meanwhile, Kia said its construction division, Kisan Corp., would sell its headquarters building in eastern Seoul valued at 50 billion won (\$36.3 million) to ease a cash shortage.

The measures came as Asia Motors Co., a commercial-vehicle unit of Kia Group, missed a debt payment last week, raising concern that Korea's eighth-largest industrial conglomerate could fail.

Earlier this week, the group put its real-estate holdings of 795 billion won up for sale to raise fresh funds.

Analysts said Kia's latest measures were a positive step.

"A set of Kia's self-rescue steps could encourage banks and other financial institutions to help it overcome the crisis," said Yang Dong Ki, analyst at Dongbang Peregrine Securities Co. (Bloomberg, Reuters)

■ **Seoul Eases Ban on Imports**

South Korea will ease a ban on the import of Japanese vehicles beginning Tuesday, Agence France-Presse reported.

The move, which will allow three Japanese utility models to be imported, was in line with South Korea's pledge to remove nontariff barriers against Japanese products by the end of 1999, Trade Ministry officials said.

When South Korea joined the Organization for Economic Cooperation and Development last year, it promised to end its ban on imports of more than 100 Japanese products, including cars and home appliances.

Compiled by Our Staff From Dispatches

SEOUL — The South Korean central bank criticized government plans for finance reform Thursday and said it would present its own proposals.

The Bank of Korea said the Finance Ministry's bill would undermine the independence of the central bank and hurt the efficiency of the financial supervisory system.

"Should the ministry's bill become law," the statement said, "the central bank would degenerate into a tool of the government and government control on finance would be further strengthened."

The Bank of Korea opposed the integration of the three existing supervisory bodies, one each for banks, security houses and insurance companies, into a single watchdog as was called for by the reform bill.

It said the proposed integrated supervisory body, which the government bill said would be placed under the jurisdiction of the prime minister, would lead to increased government intervention in banking.

## MIGRANTS: At McKay Nursery Co., Workers Are Playing Increasingly Influential Roles

Continued from Page 13

employers say there are not enough natives and legal immigrants to meet their needs.

But critics say that the growers are simply trying to avoid paying higher wages and that unemployment remains high among farm workers. The Labor Department estimated in its most recent study that 190,000, or 12 percent, were unemployed in 1994. Hearings have not yet been scheduled on the Senate bill.

At McKay, wages are legal but meager by any measure. New migrants start at \$6 an hour, far less than the \$7.50-an-hour average for farm workers in the Great Lakes region.

Just 30 hours a week of work are guaranteed, although migrants can count on the typical spring workload being almost double that. After 35 years, Mr. Almanza's base wage has risen to just \$9.50 an hour.

In California, which has half the nation's farm workers, the union wages paid at Dole Food Co. start at almost

\$7.50 an hour plus piecework bonuses that lift the average to more than \$9. And migrant workers can easily find jobs paying \$12 an hour or more in meatpacking operations here in the upper Midwest.

But McKay's other benefits and advancement opportunities keep more than 90 percent of its migrant workers returning year after year. Ten of McKay's 60-year-old employees, including several key managers, are former migrants whose early stints on its payroll lasted only through the 10 weeks of spring when the company is busiest shipping trees and shrubs.

About 60 migrants have moved into jobs that keep them on the payroll eight months annually, long enough to work the minimum 1,000 hours needed to receive bonus payments in company stock along with the year-round staff.

Eligible migrant workers receive bonuses equal to 20 percent to 25 percent of their wages in stock or cash, the mix depending on how much stock is available to distribute in a given year. It comes to at least \$2,000 worth of stock

or cash each year for even the lowest paid worker, Mr. Mason said.

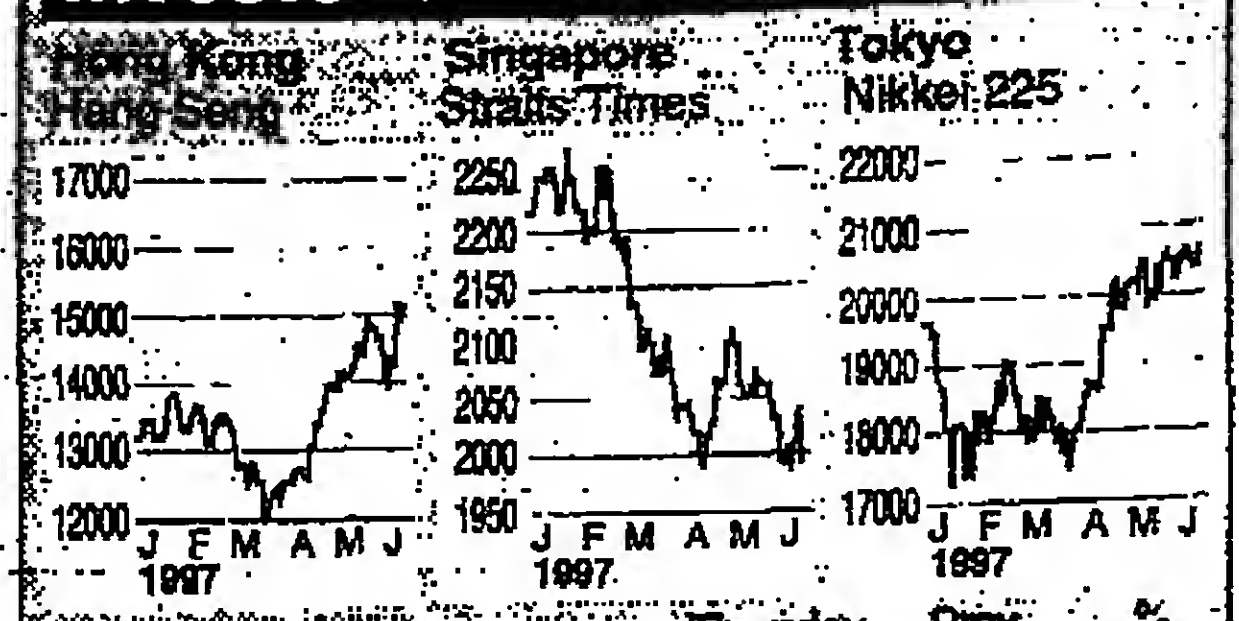
The stock, which is not traded publicly, is revalued each August by an outside accounting firm. Mr. Mason said it had been steadily appreciating but declined to reveal the most recent price. McKay does not release financial performance data, but filings with industry associations and statements about the breakdown of sales suggest that annual revenue is about \$15 million.

Employees are required to sell their stock to the company when they retire, which limits its value. Mr. Mason worries about outsiders

trying to convince employees to eliminate that restriction in the stock plan, risking loss of control of the company in return for a short-term gain in the value of the shares.

McKay is uneasy about being cast as a model of progressive migrant labor policy. Indeed, in horticultural terms, the century-old company might be seen as a "sport," a freak of nature that pops up unexpectedly through a combination of heritage and circumstances that may not be easily duplicated. Senior executives stress that McKay's employment policies for migrant workers are just one part of a unique and sometimes stressful corporate culture.

## Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hong Kong	15,128.02	15,065.02	+0.42
Singapore	Straits Times	1,888.80	2,023.86	-6.68
Tokyo	Nikkei 225	2,698.90	2,705.10	-0.19
Tokyo	Nikkei 225	20,624.76	20,579.27	+0.26
London	FTSE 100	1,665.74	1,669.96	-0.30
Bangkok	SET	520.02	486.03	+6.84
Seoul	KOSPI	744.34	744.99	-0.09
Seoul	Composite Index	8,871.70	8,956.41	-0.95
Seoul	PSI	2,837.19	2,829.29	+0.28
Seoul	Composite Index	708.41	712.50	-0.43
Seoul	NZSE-40	2,410.15	2,402.53	+0.32
Seoul	Composite Index	4,118.56	4,093.62	+0.66

Source: Reuters International Herald Tribune

## Very briefly:

- Thailand's foreign-exchange reserves dropped to a two-year low of \$33.3 billion in May, and its balance of payments shortfall expanded to \$12.3 billion (billion) from \$15.5 billion in April.
- Finance One PLC, a debt-ridden bank, could face an arranged merger with Krungthai Thanakrit PLC, a brokerage firm and subsidiary of the state-owned commercial lender Krung Thai Bank PLC, after the failure of the Bank of Thailand to buy into the firm's rights issue.
- Ryuichi Koike, a Japanese corporate racketeer at the center of a scandal implicating Nomura Securities Co. and Dai-ichi Kangyo Bank Ltd., was indicted by Tokyo prosecutors for extortion. Four former Dai-ichi Kangyo executives were also indicted for making illegal payoffs.
- Indonesia has proposed changes to its mining regulations, including requiring a free 10 percent share in any project to be given to the government, which industry sources said could dampen the investment climate.
- Brierley Investments of New Zealand confirmed it had raised its stake in John Fairfax Holdings Ltd., a publisher, by 2.11 percentage points, to more than 22 percent.
- The Federation of Korean Industries said the economy would grow 5.9 percent this year, up from its forecast of 5.5 percent, as rising exports and strong sales swelled corporate profits at Korean companies.
- Vietnam will tell U.S. Secretary of State Madeleine Albright, who arrived in Hanoi on Thursday, that U.S. demands for a trade agreement were "not realistic," Vietnam's Ministry of Foreign Affairs said.
- Reliance Industries, an Indian petrochemicals and textile company, gave its shareholders a 1-for-1 bonus share issue.
- Shanghai Petrochemical Co.'s shares rose 12 percent, to 1.90 Hong Kong dollars (25 cents), on news China would not approve any new oil refineries or ethylene plants, days after the company signed agreements to strengthen its hold on China's chemicals industry.

Reuters, Bloomberg, AFP

## Hong Kong Tightens Law On Copyrights

By Richard Covington  
Special to the Herald Tribune

In a compromise days before the handover of Hong Kong to China, the territory's Legislative Council has passed a tough new copyright law.

"The new bill injects additional free trade provisions and puts more teeth into efforts to combat piracy from China and elsewhere," said Garrie Roman, managing director of the KPS record store chain.

The law, which goes into effect Friday, doubles fines for the piracy of audio and video disks and computer software to 50,000 Hong Kong dollars (\$6,400) a copy, and imposes prison terms of up to four years for violators.

The law requires record retailers to prove that they have copyright permission for every title, which will force them to acquire their stocks from local distributors run by the major labels.

According to Henry Winter, an analyst for Booz, Allen & Hamilton, the major stores like HMV, KPS and Tower Records will be forced to reduce their stocks by as much as 20 percent in the short term. There will also be a "noticeable increase in prices" over the next six months, Mr. Winter predicted.

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- **NOVEMBER:** Diversify or Divest? – To maximize growth, should Asian businesses focus on their core businesses or branch out? A look at recent mergers, alliances, joint ventures, reorganizations and spin-offs.

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THE WORLD'S DAILY NEWSPAPER







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NASDAQ

Thursday's 4 P.M.  
The 1,000 most-traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

Symbol	Company	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
MSFT	Microsoft Corp.	65.00	+1.00
GOOGL	Google Inc.	275.00	+5.00
AMZN	Amazon.com Inc.	175.00	+3.00
EBAY	eBay Inc.	35.00	+1.00
YHOO	Yahoo! Inc.	45.00	+1.00
DISC	Disney Co.	35.00	+1.00
WALT	Walt Disney Co.	35.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00
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GOOGL	Google Inc.	275.00	+5.00
AMZN	Amazon.com Inc.	175.00	+3.00
EBAY	eBay Inc.	35.00	+1.00
YHOO	Yahoo! Inc.	45.00	+1.00
DISC	Disney Co.	35.00	+1.00
WALT	Walt Disney Co.	35.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00

Symbol	Company	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
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GOOGL	Google Inc.	275.00	+5.00
AMZN	Amazon.com Inc.	175.00	+3.00
EBAY	eBay Inc.	35.00	+1.00
YHOO	Yahoo! Inc.	45.00	+1.00
DISC	Disney Co.	35.00	+1.00
WALT	Walt Disney Co.	35.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00

Symbol	Company	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
MSFT	Microsoft Corp.	65.00	+1.00
GOOGL	Google Inc.	275.00	+5.00
AMZN	Amazon.com Inc.	175.00	+3.00
EBAY	eBay Inc.	35.00	+1.00
YHOO	Yahoo! Inc.	45.00	+1.00
DISC	Disney Co.	35.00	+1.00
WALT	Walt Disney Co.	35.00	+1.00
WDC	Western Digital Corp.	45.00	+1.00
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Symbol	Company	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
MSFT	Microsoft Corp.	65.00	+1.00
GOOGL	Google Inc.	275.00	+5.00
AMZN	Amazon.com Inc.	175.00	+3.00
EBAY	eBay Inc.	35.00	+1.00
YHOO	Yahoo! Inc.	45.00	+1.00
DISC	Disney Co.	35.00	+1.00
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NYSE

Thursday's 4 P.M. Close  
(Continued)

Symbol	Company	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
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WORLD ROUNDUP

Marlins for Sale,  
Team's Owner Says

**BASEBALL** Wayne Huizenga, who says he will lose \$30 million on the Florida Marlins this season, is putting the team up for sale, but won't let them move out of town. "It's a tough decision to make for us," Huizenga said Thursday. "We have lost money every year. The simple answer is we are not willing to sustain the losses."

"We believe the team is going to stay in Florida. We want to keep it in South Florida," he added.

Huizenga committed \$175 million, nearly doubling the team's payroll, to upgrade the team this year. Attendance has risen by 35.1 percent from last season — the largest increase in the major leagues — but Huizenga says that wasn't enough to offset his losses. (AP)

Barcelona Changing Boss

**SOCCER** Bobby Robson said he has been told he will not continue as Barcelona's first team coach next season although he is expected to stay with the club. (Reuters)

Popular Appeal

**ARENA FOOTBALL** The new Women's NBA and the Major Soccer League were both outdrawn last weekend in the United States by the Arena Football League.

The league, in its 11th season, set a one-week record. Its seven games drew 96,821. The top attendance was 16,923 at America West Arena in Phoenix, where the Arizona Rattlers beat the Florida Bobcats (AP)

Johnson Returns to Base

**ATHLETICS** The World and Olympic champion Michael Johnson reacted Thursday to his first 400 meters defeat in eight years by withdrawing from Sunday's Grand Prix in Sheffield and next Wednesday's meeting in Lausanne. He flew back to his Texas training base.

On Wednesday in Paris, Johnson ran his first race since pulling up lame against Donovan Bailey in Toronto. He finished fifth in the 400 meters, ending a streak of 58 consecutive victories at the distance.

Antonio Pettigrew, the American champion, won in 44.86. Another double Olympic champion, Marie-Jose Perec of France, finished seventh in the 200 meters.

In the 100 meters, Bailey, the Olympic champion and world-record holder, easily beat a field that included the top performers from the American championships.

In a race between the two top 1,500-meterers, Hicham El Guerrouj of Morocco beat the world-record holder Noureddine Morceli of Algeria by 15 meters. (AP, Reuters)



Donovan Bailey sprinting to victory in a 100 meters in Paris.

Holyfield Isn't Afraid  
(But He Used to Be)

By Tom Friend  
New York Times Service

**LAS VEGAS** — A certain boxer at the MGM Grand hotel is unafraid of Mike Tyson, which qualifies as a first. Either Evander Holyfield knows something or is headed for a long nap Saturday night.

But, from all appearances, the real bully here is from Atlanta.

For the first 30 years of Tyson's life, one sucker after another would line up to fight him, worried they would be eating dinner with a straw afterward.

Yes, Tyson's left hook won him a few fights back, but so did his opponents' fear — fear of flying into the front row.

Holyfield had that same trepidation seven, nine, 11 months ago, and he almost quit because of it. He almost dialed up Don King and called the first Tyson fight off, or so the story goes, until he thought better of it. Good career move.

Actually, he has almost quit a thousand times, or at least five, dating to the days when he was 11 years old. Back then, it was his stubborn mother who ordered him to press on, and this time it was another woman in his life, a doctor.

Holyfield's latest crisis began with the Bobby Czyz fight in May 1996, an uninspired five-round technical knockout victory that left Tyson yawning.

It appeared to be a tuneup to nowhere because if Czyz had been a complicated opponent, what would Tyson be? There was also the matter of Holyfield's heart, and whether it was ticking properly. He had almost left the sport because of arrhythmia, and before the Tyson fight, the Mayo Clinic and others had to sign off on it.

"Yes," King said Wednesday of Holyfield. "Everyone before the first fight wanted him examined and the examiner examined."

Holyfield did not know what was worse: all those doctors, or his new sparring partner. Holyfield's trainer, Don Turner, had asked a 25-year-old heavyweight, Gary Bell, to emulate Tyson in practice sessions. And Bell, who had idolized Tyson growing up in Jamaica, Queens, had the biceps and triceps for the job.

Bell was told to charge furiously at Holyfield, right from the opening bell, which is exactly what Tyson would do. He would throw left uppercuts to the body — Tyson's favorite punch — for 30 seconds straight, and then they would stop and simulate it all over again.

They were preparing Holyfield for the first round, but, he almost did not make it there. "I did almost quit right

then," Holyfield said Wednesday.

"You have to convince yourself you're ready. Having a guy like Gary Bell, as tough as he is, put a lot of pressure on me each and every day, it was awful. I mean, the guy is young, and he's got a young body, and is aggressive. And you get frustrated. You're thinking, 'I'm sparring a guy who's 25 years old, and he doesn't have much skills, and he's doing all of this to me, oh no.'"

"And then I'm supposed to fight a guy supposedly a lot better? Tyson?"

If that was not fear, nothing was. It was also the nudge that Holyfield needed. Just as he was about to turn in his locker room key, he thought of Cecil Collins.

"I'll never forget it," Holyfield said. "I got my early experience at 11 years old. I got beat by a guy named Cecil Collins."

"Cecil Collins was a little white kid, and he was cross-eyed, and I was a little bigger than him, and I thought I'd beat him because I was black and he was white, and because I was just bigger. And he beat me twice. And I beat him the third time. And it's amazing, that one win overwhelmed two."

"But, you see, that had been my first time losing. I started at 8 and the first time I lost was 11 years old, and this white kid, Cecil Collins, he's the first guy I hit and didn't cry. And I hit him, and he hit me back, and I kept hitting him, and he kept hitting me, and he didn't quit. I was amazed."

"I went to quit, and my momma wouldn't let me quit. My momma said she didn't raise no quitter. I had to go back, and he beat me again, and my momma said, 'No you've got to go back and work hard.' Then, I beat him the third time and my momma said, 'You can stop boxing if you want to,' and I said to myself, 'Why do I want to stop now?'"

That is exactly what he decided again after one of those Bell sparring sessions — while in the arms of his woman friend, Dr. Janice Ison. He was ready to bail, but she played the part of his momma and together they decided quitting was out of the question. A few weeks later, they married, and three weeks after that, the Tyson fight got under way.

Just as Turner predicted, Tyson came out furiously — "just like Gary Bell" — and just when Holyfield was expecting a left hook just like Bell's, Tyson caught him with a right hand.

Holyfield almost keeled over, but tried a novel concept: hitting back.

When the round was over, Turner had only one thing to say: "You're the bully in here. He ain't the bully."

And Tyson still ain't.



Jarno Trulli in his Prost Mugen-Honda talking to team technicians Thursday at Magny Cours, France.

In Formula 1, Talent Is Not Enough

By Brad Spurgeon  
International Herald Tribune

Gianni Morbidelli calls it Formula One's "natural selection of drivers."

To get a coveted drive in a Grand Prix, it is not enough to have talent. Many of the drivers in the French Grand Prix at Magny Cours on Sunday are also well connected or have simply been in the right place at the right time.

Some of those who won't be driving have been in the wrong place at the wrong time. Morbidelli is one of those.

Morbidelli, who drives for the Sauber team, skidded off in testing at Magny Cours last week and broke an arm. A few days earlier Olivier Panis, the star driver for the Prost team, crashed during the Canadian Grand Prix in Montreal. He broke both legs and won't be driving this weekend either. This is natural selection at its most brutal. If you crash you might not drive.

There's no telling what such a setback will do to Panis, whose career has been steadily advancing first with Ligier — with whom he won the Monaco Grand Prix last year — then with Prost where he recently set the fastest time in testing at Magny Cours.

Alain Prost, the team owner, had hoped Panis could win their home race.

Forced to replace his lead driver on short notice, Prost faced a difficult decision. In the end he selected a sliver of experience over a large potential.

He turned first to Emmanuel Collard, 26, a Frenchman who had been considered a possible replacement for Prost's disappointing second driver, Shinji Nakano.

Collard was France's first world karting champion in 1988 at 17. He was champion of French Formula Renault in 1990, and was Porsche Supercup champion last year. He has been a contender

for a seat in Formula One since 1990 and has test-driven for Ligier, Williams, Benetton, Tyrrell and, last week, Prost. But he has never driven a race in Formula One.

Ken Tyrrell, the doyen of Formula One team owners, said of Collard: "Of all the people I've ever met who are not in Formula One, and who ought to be in Formula One, he tops the list."

Tyrrell also called Collard, "the next French world champion."

But Collard said: "I'd just like to race first. I'd like to start by getting into a car."

His problem is the same for all prospective Formula One drivers.

"The top teams don't want the driver to have a 'learning year' with them," said Tyrrell. "They want somebody who's going to win now."

After testing, Prost passed over Collard in favor of Jarno Trulli. Trulli, an Italian, is just 22, but he drove the first seven races of the season for Minardi. He never finished better than ninth.

"Selecting somebody that was immediately operational," said Prost, "especially in terms of physical fitness, was clearly a key consideration."

Collard is by no means unfit, but having not driven a Formula One car since last fall, his neck muscles were not ready to undergo the beating by the g-forces in such a car through a race. But that was not the only problem.

"I haven't practiced starts," said Collard. "I haven't practiced pit stops for fuel either. But as long as no one allows me to race, I won't get the experience."

His Prost testing was not done under the best conditions, since he had just finished driving in the Le Mans 24 hour race, so he was tired.

"But I think I did the necessary," he said. "And I think that this week things

would have gone a lot better already. The neck is something very specific, and if you don't drive in the car, you cannot reproduce anywhere else what happens there. You can always do exercises, but it never replaces the actual driving. You need a minimum of four, five days of testing to get your neck in shape."

At the start of the season Trulli did not have any Formula One experience either. He was given a seat at Minardi for a learning year. Minardi is not a top team. One of its shareholders is Flavio Briatore, who is also Trulli's personal manager. Briatore is also managing director of the Benetton team and he owned the Ligier team and sold it this year to Prost, who changed its name to Prost.

Collard remains optimistic as the possibility of driving as a replacement for Nakano has not been ruled out. Nakano has been kept on thanks only to his relationship with the team's engine suppliers, Mugen-Honda.

Collard says that the natural selection of a driver these days is not quite the same as it used to be. Morbidelli, 29, got his drive at Sauber this season because Nicola Larini had not been achieving the expected results. Both Morbidelli and Larini had been test drivers for Ferrari which Sauber's engine.

"These days," said Collard, "a driver is a pawn that they place where they want."

At Sauber, Morbidelli will be replaced by Norberto Fontana, a 22-year-old Argentine who was a test driver for the team, but who has never raced.

"Sometimes it's more important to be in a good political situation, to know the right people," said Morbidelli. "It's not important that you are a good driver."

The absence of Panis eliminates one of the French pawns from the French Grand Prix. It will be exclusively a home show for Jean Alesi.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	W	L	Pct.	GB
<b>EAST DIVISION</b>				
Baltimore	50	22	.692	—
New York	42	32	.567	8
Toronto	35	40	.467	16
Detroit	33	41	.446	18
<b>CENTRAL DIVISION</b>				
Cleveland	38	33	.535	—
Chicago	37	37	.500	2 1/2
Minnesota	35	37	.486	3 1/2
Kansas City	34	38	.474	4 1/2
Seattle	34	40	.459	5 1/2
<b>WEST DIVISION</b>				
Seattle	44	22	.667	—
Anaheim	40	33	.550	3 1/2
Texas	37	37	.500	6 1/2
Oakland	31	47	.397	14 1/2
<b>NATIONAL LEAGUE</b>				
<b>EAST DIVISION</b>				
Atlanta	48	28	.630	—
Florida	45	30	.600	2 1/2
New York	43	33	.566	5
Montreal	42	33	.560	5 1/2
Philadelphia	37	37	.500	10 1/2
<b>CENTRAL DIVISION</b>				
Houston	38	39	.493	—
St. Louis	35	40	.467	2
Pittsburgh	33	41	.446	3 1/2
Chicago	32	43	.430	4 1/2
<b>WEST DIVISION</b>				
San Francisco	44	22	.667	—
Colorado	40	37	.519	4 1/2
Los Angeles	38	38	.500	6 1/2
San Diego	32	44	.421	12 1/2

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE	W	L	Pct.	GB
<b>EAST DIVISION</b>				
New York	000	001	.000	—
Detroit	000	001	.000	9
Pittsburgh	000	001	.000	9
Chicago	000	001	.000	9
<b>CENTRAL DIVISION</b>				
Cleveland	000	001	.000	—
Minnesota	000	001	.000	12 1/2
St. Louis	000	001	.000	12 1/2
Kansas City	000	001	.000	12 1/2
Seattle	000	001	.000	12 1/2
<b>WEST DIVISION</b>				
Seattle	000	001	.000	—
Anaheim	000	001	.000	12 1/2
Texas	000	001	.000	12 1/2
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New York	000	001	.000	—
Detroit	000	001	.000	9
Pittsburgh	000	001	.000	9
Chicago	000	001	.000	9
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Cleveland	000	001	.000	—
Minnesota	000	001	.000	12 1/2
St. Louis	000	001	.000	12 1/2
Kansas City	000	001	.000	12 1/2
Seattle	000	001	.000	12 1/2
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St. Louis	000	001	.000	12 1/2
Kansas City	000	001	.000	12 1/2



## SPORTS

هكذا من الأدب

# Duncan Is No.1, Then Confusion

## 76ers Pick Van Horn for Nets but Celtics Block Deal

By Mike Wise  
New York Times Service

CHARLOTTE, North Carolina — The tales of his athletic ability grew with each workout. He could dunk with either hand and leap 36 inches (91 centimeters) from a standing position. The other day at a workout, he made 34 of 40 shots from different spots on the floor.

Kevin Van Horn was not mentioned in the same breath as Tim Duncan, but the 6-foot-10, multifaceted forward from Utah had become so coveted in the past few days that several teams were prepared to part with superstars to get him.

Ultimately, he stole much of the attention Wednesday from Tim Duncan, the No. 1 pick in the National Basketball Association draft. After the San Antonio Spurs added Duncan to their formidable front line of David Robinson and Sean Elliott with the first pick at the Charlotte Coliseum, Van Horn was selected by the Philadelphia 76ers, who were moments away from trading him to the New Jersey Nets until the Boston Celtics got in the way.

Trying to secure the right to draft Van Horn second, the Nets proposed sending Jim Jackson and Eric Montross, their No. 7 and No. 21 picks, to Philadelphia.

In exchange, the 76ers would give journeyman center Michael Cage, shooting guard Lucious Harris and the small forward Don MacLean to the Nets.

But the Celtics, who had tried to send Dino Radja to the 76ers for Michael Cage and Clarence Weatherspoon until Radja failed his physical with the 76ers on Tuesday, moved to block the deal.

Hearing that the trade involved Cage, Boston filed a protest with the league, centering on Radja's failure to pass a physical. Since the matter will go to arbitration and be decided by the NBA commissioner David Stern, Cage could not be involved in the deal — thus delaying the proposed trade.

"I think they really drafted me with the idea of a trade, trying to get something for me," Van Horn said. "A lot of guys that get drafted know they're going to go to that team, but I don't know that for sure."

[The Celtics claimed that the 76ers exaggerated the extent of Radja's knee problems to get out of the trade, the Los Angeles Times reported.]

"When Dino left us two weeks ago, he was working out, playing tennis and one-on-one basketball, and his knee looked great," the Celtic coach Rick Pitino said in a television interview. "I find out when he saw two doctors in

Philadelphia, they found something totally different."

Philadelphia's decision cleared up much confusion among the first five picks. Boston selected the Colorado point guard Chauncey Billups with the third selection, Vancouver chose Bowling Green point guard Antonio Daniels with the fourth pick and Denver chose Texas Tech center Tony Battie No. 5.

The Celtics, who also held the No. 6 pick, chose Ron Mercer, the Kentucky sophomore who played for Pitino the past two seasons.

Boston considered taking the 18-year-old Tracy McGrady from Mount Zion Christian Academy in Durham, North Carolina, but declined at the last moment.

And the Nets chose Villanova freshman Tim Thomas at No. 7.

The Golden State Warriors selected Adonal Foyle, the Colgate center, at No. 8.

McGrady was selected No. 9 by the Toronto Raptors.

Duncan was the first senior to be chosen No. 1 overall since Larry Johnson was taken No. 1 by Charlotte in 1991. The last time two seniors were chosen first and second was in 1990, when Derrick Coleman and Gary Payton went No. 1 and No. 2 to New Jersey and Seattle respectively.

Daniels, too, stayed for his senior year, and it paid off in ways unimaginable for the Bowling Green star. He went from the fifth second round to the top five of the draft in a heartbeat, convincing scouts and general managers on film and in person that he could run an NBA team immediately.

Duncan had not even heard of him until they roomed together three weeks while taking their pre-draft physicals in Chicago.

Born in St. Croix in the U.S. Virgin Islands, Duncan will join Robinson on a Spurs team that is suddenly back in Western Conference title contention.

He was also the first true center to be selected No. 1 since Shaquille O'Neal in 1992.

From the moment Duncan decided to stay in college after his junior year, his stock was already set as high as possible. But that of Van Horn continued to rise leading up to the draft as he produced memorable workout after memorable workout for several teams.

The aftershocks surrounding the interest in him were felt as far as Chicago.

The Bulls were reportedly very interested in swapping Scottie Pippen and Luc Longley for Boston's third and

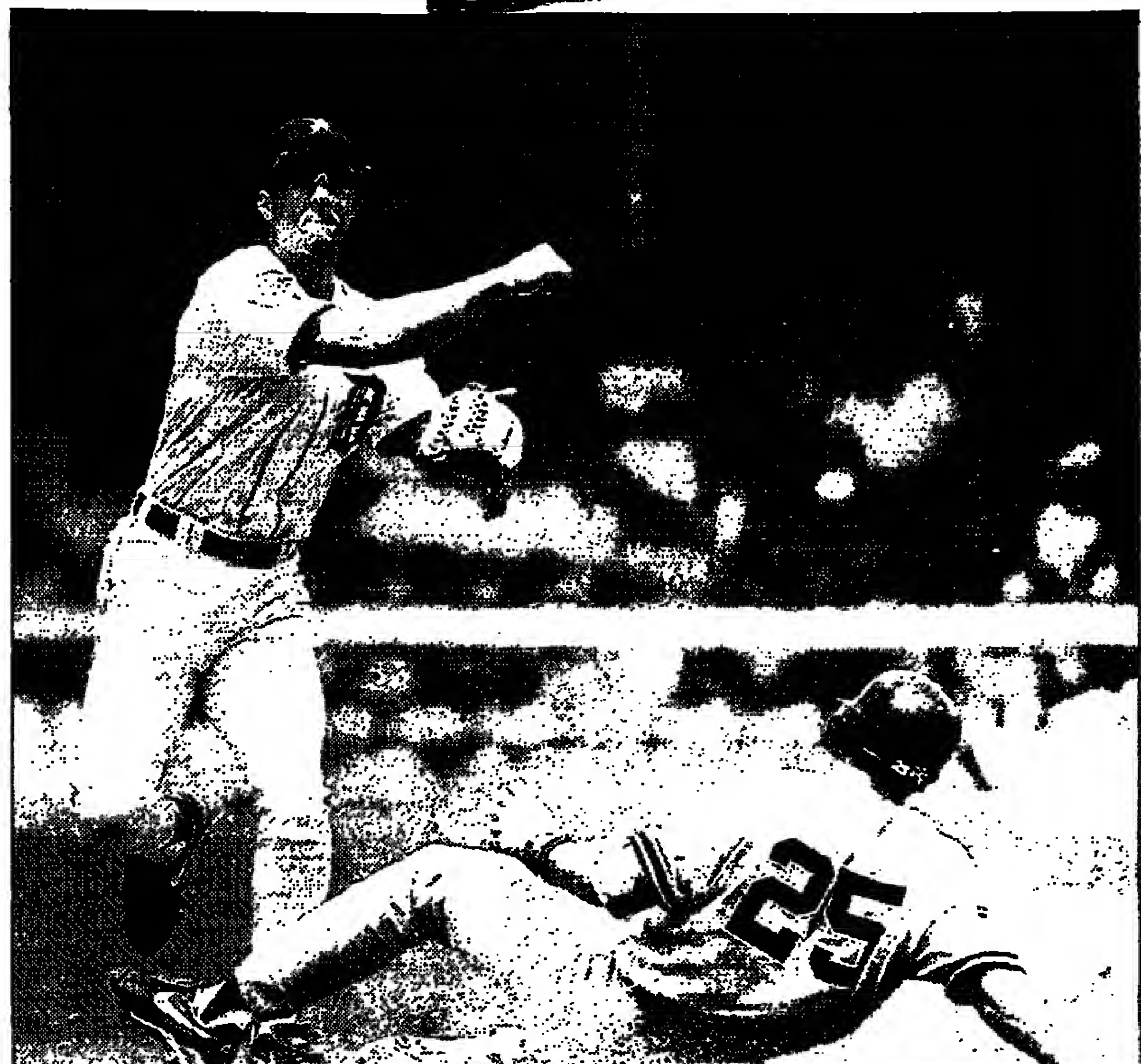
## NBA DRAFT SELECTIONS

## FIRST ROUND

1. San Antonio, Tim Duncan, Centre, Wake Forest; 2. Philadelphia, Keith Van Horn, Forward, Utah; 3. Boston, Chauncey Billups, Guard, Colorado; 4. Vancouver, Antonio Daniels, Guard, Bowling Green; 5. Denver, Tony Battie, Center, Texas Tech; 6. Boston, Ron Mercer, Forward, Kentucky; 7. New Jersey, Tim Thomas, Forward, Villanova; 8. Golden State, Adonal Foyle, Center, Colgate; 9. Toronto, Tracy McGrady, Forward, Mount Zion Christian Academy (H.S.); 10. A-Milwaukee, Danny Fortson, Forward, Cincinnati; 11. Sacramento, Olivier Scalet, Forward, San Jose St.; 12. Indiana, Austin Croshere, Forward, Providence; 13. Cleveland, Darrin Anderson, Guard, Kent State; 14. Los Angeles, Maurice Taylor, Forward, Michigan; 15. Dallas, Kevin Cato, Center, Iowa; 16. Cleveland, Brad Miller, Forward, Kent State; 17. Washington, (forever) with signing; 18. Portland, Chris Anstey, Center, South East Melbourne (Australia); 19. Detroit, Scott Padgett, Forward, Kansas; 20. Minnesota, (forever) through Charlotte, Paul Grant, Center, Wisconsin; 21. New Jersey, (forever) through L.A. Lakers, Anthony Parker, Guard, Bradley; 22. Atlanta, Ed Ory, Guard, California; 23. Seattle, Bobby Jackson, Guard, Minnesota; 24. Houston, Rodrigue Rhodes, Forward, Cal; 25. New York, John Thomas, Forward, Minnesota; 26. Miami, Charles Smith, Forward, New Mexico; 27. Utah, Jerome Vaulter, Guard, Kansas; 28. Chicago, Keith Smith, Forward, Maryland.

## SECOND ROUND

30. Houston (from Vancouver), Serge Zhukov, Center, North Carolina; 31. Miami (from Boston), Mark Sanford, Forward, Washington; 32. Detroit (from San Antonio), Clinton Chubb, Forward, UIC; 33. C-Denver, James Collins, Guard, Long Beach St.; 34. Philadelphia, Marko Milic, Forward, Slovenia; 35. Dallas, Bobby Hield, Forward, Austin Peay St.; 36. Philadelphia (from New Jersey), Kibu Stewart, Forward, Cal St. Bakersfield; 37. D-Philadelphia (from Toronto), James Collins, Guard, Florida St.; 38. Golden State, Marc Jackson, Center, Temple; 39. Milwaukee, Jerald Honeycutt, Forward, Tulane; 40. Sacramento, Anthony Johnson, College of Charleston; 41. Seattle (from L.A. Clippers), Eddie Elumbe, Forward, Georgia Tech; 42. E-Denver (from Indiana), Jason Lawson, Forward, Villanova; 43. Phoenix, Stephen Jackson, Guard, Butler County CC (Kan.); 44. Minnesota, Gordon Macdonald, Forward, West Virginia; 45. Cleveland, Kevin Henderson, Forward, Kentucky; 46. Washington, God Shammug, Forward, Providence; 47. E-Orlando, Eric Washington, Guard, Alabama; 48. Portland, (forever) through L.A. Lakers, (forever) through Charlotte, Predrag Drobnjak, Center, Portland State (Serbia); 49. Atlanta (from Detroit), Alain Diggins, Guard, Villanova; 50. Atlanta, Chris Crawford, Forward, Marquette; 51. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 52. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 53. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 54. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 55. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 56. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 57. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 58. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 59. L.A. Lakers, DeJuan Wheat, Guard, Louisville; 60. L.A. Lakers, DeJuan Wheat, Guard, Louisville.



The Tigers' Griffey Jr. forcing the Yankees' Joe Girardi at second and throwing to first for a double play.

# Griffey Hurt, May Miss All-Star Game

The Associated Press

For the third consecutive year, baseball's All-Star game could be missing one of its brightest stars.

Ken Griffey Jr. pulled up lame after he hit a run-scoring double in the first inning Wednesday night and could be out for up to three weeks. He was suffering from a tight right hamstring.

The All-Star game will be played in Cleveland on July 8. Griffey, who leads the majors with 29 home runs and the American League with 64 runs and 79 runs batted in, is the top vote-getter.

## BASEBALL ROUNDUP

He has missed the last two All-Star games because of injuries: He fractured his left wrist crashing into the center field wall in May 1995, and missed 73 games. He broke a small bone in his right wrist while batting in June 1996, and missed 20 games.

Griffey's condition was to be re-evaluated by the Mariners' team physician, Dr. Mitchell Storey, who expects the outfielder to be out three to five days if the injury responds well to treatment, but to two to three weeks if the hamstring is stiff and swollen.

With Griffey gone, Edgar Martinez homered twice as Seattle pounded four home runs in a 9-4 victory over the Oakland Athletics.

Orlando 3, Brewers 1 In Milwaukee, Mike Mussina lost a no-hitter in the eighth inning on Jose Valentin's single and settled for a three-hitter in another strong performance weeks after he nearly pitched a perfect game.

Mussina (9-2) struck out a season-high 12 and walked one. The right-

hander gave up a sacrifice fly to Dave Nilsson in the ninth to score Milwaukee's run.

Yankees 3, Tigers 1 Charlie Hayes hit a two-run homer in the ninth inning as New York completed a three-game sweep at Detroit. Tino Martinez hit a home run — his third in two games — for the Yankees, who have won seven straight at Tiger Stadium.

White Sox 8, Royals 7 In Chicago, the White Sox rallied for five runs in the eighth and got a pinch-hit run-scoring single from rookie Mario Valdes in the 10th to win.

Rangers 5, Angels 4 Mark McLemore's bases-loaded single with one out in the bottom of the ninth enabled Texas to snap a seven-game losing streak at home.

Red Sox 13, Blue Jays 12 In Toronto, Nomar Garciaparra homered on Pat Hentgen's first pitch — one of five Boston homers — and the Red Sox outlasted the Blue Jays for a wild win to sweep the three-game series.

Hentgen had not given up an earned run in 21 innings before Garciaparra connected for his 12th homer. Hentgen was charged with a season-high 11 runs and 13 hits in eight innings.

In the National League: Cardinals 3, Cubs 1 Gary Gaetti broke out of a slump by going 3 for 4, finishing the night with a two-run homer in the bottom of the ninth to give St. Louis victory over Chicago. He also had a run-scoring single and a double.

Gaetti came close to giving St. Louis the lead in the seventh inning. But he was thrown out by the Cubs' center fielder, Brian McRae, when he tried to score on a short fly ball, completing a double play.

Dodgers 2, Rockies 0 In Los Angeles, Dodger pitcher Ismael Valdes gave up four hits in 8½ innings and retired 19 of the first 20 batters he faced.

Mike Piazza hit a two-run homer in the first inning to help Valdes (4-8) end a slump in which he had surrendered 19 earned runs in 26½ innings and had a televised dugout confrontation with manager Bill Russell.

Astros 16, Pirates 5 In Houston, Derek Bell's homer snapped an eighth-inning tie and Darryl Kile (9-3) pitched eight strong innings, striking out seven and walking two.

Mariners 7, Phillies 5 John Cangelosi went 4 for 5 as Florida moved 15 games over .500 for the first time in franchise history.

Reds 2, Expos 1 Mike Kelly's two-out, 11th-inning homer gave Cincinnati its second straight extra-inning win at Montreal.

Kelly hit his second homer as the Reds handed the Expos their fourth loss in six games. Montreal won 11 of 12 before the recent slide.

Braves 14, Mets 7 Chipper Jones homered twice, including his first grand slam in the majors, as Atlanta won in New York.

Giants 14, Padres 7 In San Francisco, J.T. Snow matched a career-high with four runs batted in and Barry Bonds scored four times.

Bonds went 3 for 5 with a walk and Darryl Hamilton also went 3 for 5, including a triple, as the Giants won for the eighth time in 11 games. The 17 hits and 14 runs were both season-highs for San Francisco.

Minnesota at Cleveland was postponed by rain.

# NBA Taps European Players

By Ian Thomsen  
International Herald Tribune

LONDON — Four of the NBA draftees played in Europe last season:

• Marko Milic — He might be one of the draft's big losers. The 6 foot 4 inch (1.93 meter) Slovenian guard of Olimpija-Ljubljana could have entered the draft next year, at 21, by which time he might have done more to prove himself worthy of a first-round pick and a contract worth millions. Instead the Philadelphia 76ers grabbed him early in the second round (34th overall), so he might not receive more than the minimum salary. Milic shattered a backboard at the European Final Four. At exhibitions he has leaped over a car to dunk.

• Predrag Drobnjak — His physical style of play might be his biggest asset if

he signs with the Washington Wizards, formerly the Bullets, who drafted him in the second round (49th).

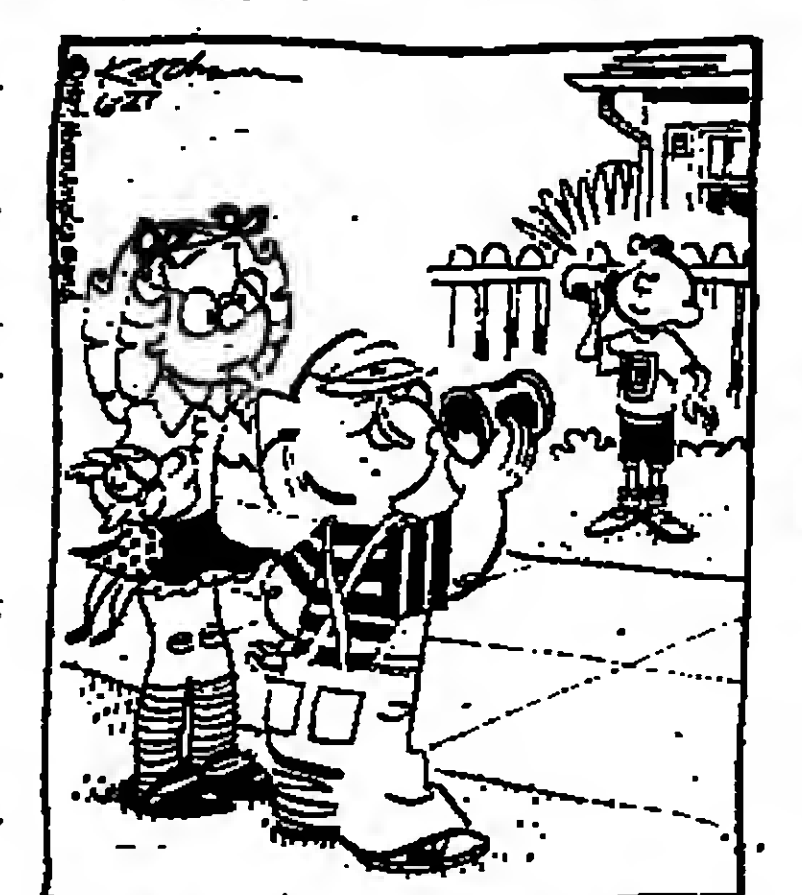
• Alain Diggins — The French forward will be the athletic equal of any player taken in the draft. He grew to be dependable under pressure for Villeneuve of France, which made it to the Final Four last season. The Atlanta Hawks chose him in the second round (50th). He has two years left on his contract, but Villeneuve has said it will let him jump to the NBA at once.

• Roberto Ducas — At 7 foot 4 inches (2.23 meters) he reminds many of George Mursan of the Wizards. Ducas, 21, could be an important player for the Chicago Bulls, who picked him 58th overall, but they might have to be patient. FC Barcelona recently signed Ducas for five years.



No. 1 pick Tim Duncan was chosen by the Spurs in the NBA draft.

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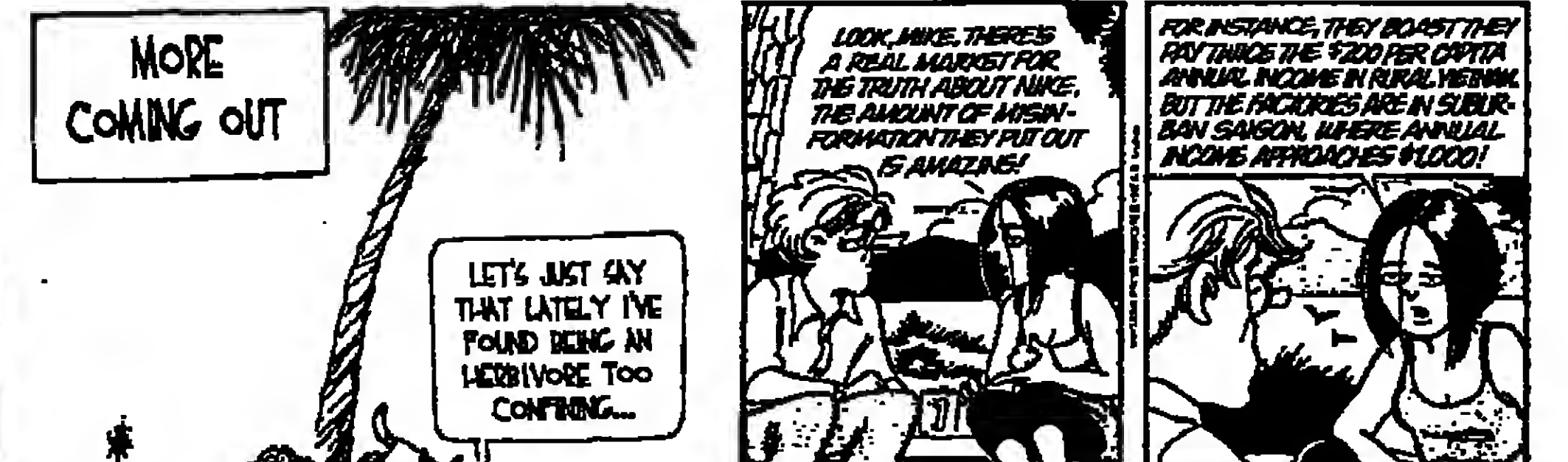
## CALVIN AND HOBBES



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## OBSERVER

## Iconization! Help!

By Russell Baker

NEW YORK — Disaster! That's what my campaign against icons has ended in. The defeat is not as catastrophic as Custer's at the Little Big Horn, but it is just as total. American writers on all flanks are pelting me senseless with icons.

Wherever you turn another writer is hurling icons. Even the sports page, that sanctuary of good old plain talk, is no longer icon-free. Reading happily along in an essay on corked baseball bats the other day, I was frozen in mid-column to see George Brett being called "an icon of the game."

Why belittle Brett with a nameless icon talk? George Brett was one of the best hitters ever, reducing him to an icon cheats him of the high praise he deserves.

Look: Do you think Gale Hayman is in a class with George Brett? When you're two runs behind with two men on base and two out in the ninth inning, whom do you want to see coming to the plate? Gale Hayman or George Brett?

Yet she's an icon too. "Gale Hayman is a beauty icon," reports Update, a publication of The New York Times Syndicate.

So I open a book, a heavy book, a serious book, and what do you suppose leaps off Page 3 before the author has even warmed up? Yep. Icons.

And what do you think Barbara Streisand is? "She's kind of like a gay icon," a museum visitor tells a Washington Post writer reporting from the Barbara Streisand Museum in San Francisco.

But what is this I see on the

cover of The New York Times Book Review? It is news of yet another book about Virginia Woolf, "an icon and a beacon for most of a century."

There may be an infectious icon epidemic raging at The Times. The week after the iconing of Virginia Woolf, a Times Magazine story about the Long Island Congresswoman Carolyn McCarthy was headlined, "An Icon Goes to Washington."

Two Sundays earlier the Week in Review section referred to Frank Sinatra, Dean Martin and Sammy Davis Jr. as "three icons of swank."

Poor dead Che Guevara cannot reappear in The Times these days without being iconized. Interviewed by the Magazine, his biographer says Che is "a marketing icon." The Week in Review of the same day agrees about his mercantile iconhood.

When it comes to marketing icons, there is an unmistakable difference between being dead and being alive.

Always competitive with The Times, The Washington Post has kept the iconic pace. A recent headline converted the old Volkswagen Beetle into a "60s icon." Its Style section reviewed "three disks of iconic songs." These were not songs about icons, but supposedly about gay culture.

From the Cincinnati Enquirer comes grim news for friends of the 1970s. "A Cincinnati icon for that very era" is dying.

That icon is Lucy's in the Sky, a saloon on the glass-walled 12th floor of the Holiday Inn downtown. It's closed.

Will no one save America from iconization? Anyone who does will become an anti-iconization icon.

New York Times Service

By Bernard Weinraub  
New York Times Service

LOS ANGELES — Blame it on the millennium. Blame it on fears about cloning. Blame it on an overload of studio alien films or just plain creative exhaustion among executives and screenwriters. But bugs — teeny ones and monsters, happy little critters who sing and fearsome ones who kill — are overrunning Hollywood studios.

At least a half-dozen scripts involving insects are in various stages of development and production, turning the creatures into formidable screen competitors of dinosaurs and aliens.

The last wave of insect films took place in the post-atomic age, exemplified by "Them!", the 1954 classic about giant ants running wild in the Southwest after an atomic test.

"There was an undercurrent of fear after the atomic bomb, like what have we wrought, how have we upset the balance of nature and is this nature's revenge of us," said David Vogel, president of Walt Disney Pictures, which recently paid writer Ron Kaskin \$850,000 for the rights and screenplay adaptation for his new novel, "Instinct." It's about a toxic chemical spill in Mexico that unleashes a swarm of killer bugs headed for Texas.

"Right now we're in a similar time," said Vogel, who was echoing the views of several other executives and producers. "Every week we seem to be reading about cloning and biological engineering and new discoveries of water on planets. Science is altering our sense of the familiar. And these movies are tapping into that."

Among the bug movies looming are Paul Verhoeven's "Starship Troopers," about a war between humans and giant alien ants, to be released by Tri-Star in November; "Antz," an animated film (with the voice of Woody Allen as the lead bug) to be made by Dreamworks; "Dust," a Warner Bros. movie based on a novel by Charles Pellegrino about the extinction of insects potentially dooming the planet, and a Pixar film for Disney called "A Bug's Life."

In another bug film, "Mimic," to be released in July by Miramax, Mira Sorvino is menaced by a cockroach hybrid, a combination praying mantis and termite. The film's director, Guillermo del Toro, who made "Cronos," the 1993 award-winning horror film, has obviously spent a lot of time thinking about bugs, and spoke almost mystically about them.

"What's appealing for filmmakers is that these things are real," he said during a telephone interview. "They share the same planet. You don't have to make them up. We see them



Human invaders land on a planet occupied by alien insects in scene from "Starship Troopers."

every day. Yet bugs are creatures with a nightmarish perfection. We have little in common with them. They have six legs, multiple eyes, no heart, no lungs and are unstoppable. Mammals are soft, fleshy, vulnerable, while bugs are covered by an armored plate. They can be single-minded and ruthless. They are grotesque. They are God's nightmare."

Similarly, Wes Craven, another top horror filmmaker, says bugs are far more frightening than aliens. "We don't like them," he said. "They're symbols of corruption and filth. They share our space, and we know that they can really hurt us. They stand for an element of nature that's voracious and ultimately sees us as food. And they're probably right."

Of course, studio executives and agents view bugs as part of Hollywood's never-ending quest for newer and scarier villains. "We've had viruses, slugs, tornadoes, volcanoes and now bugs," said Mike De Luca, president of production at New Line. "It's all very biblical."

Beyond this, and on a purely practical level, studios are finding that the uses of increasingly sophisticated computer techniques make insects far easier to animate than aliens or dinosaurs. "Bugs are relatively easy to animate because they have sharp lines and hard surfaces and a uniform color, and don't have the facial expressions and recognizable human qualities that you need in dinosaurs or aliens," said Mike Simpson, co-head of the motion picture department at the William Morris talent agency. "Besides, there's the natural

fear and hatred we all have for them."

Horror films have to some degree often reflected the fears and paranoia of popular culture. In the 1930s and '40s, the Frankenstein films and their imitators tapped into fear about crazed scientists. "Horror and sci-fi films have almost always been anti-science or very skeptical of it," said Welch Everman, author of "Cult Horror Films" (1995) and "Cult Science Fiction Films" (1995).

"In earlier horror films," said Everman, an associate dean at the University of Maine, "this was personified by mad scientists. In the 1950s, this was changed to a skepticism about science itself: science had won the war but people were also frightened of the atomic bomb and radioactive pollution."

Those fears inspired films in the 1950s like "Them!", which was a major success for Warner Brothers, as well as "Beginning of the End," in which giant locusts attack Chicago; "Black Scorpion," in which giant scorpions attack Mexico, and "Attack of the Giant Leeches," in which the squishy monsters are unleashed by radioactivity after a space launching.

"Since Vietnam, and more recently with news of potential ecological disasters and concerns about cloning, we view science as operating almost without limits, and these new films reflect that," Everman said. "We have a more negative view of science than in the 1950s."

What serves as an undercurrent for the new wave of terror movies, say directors and screenwriters, is the approach of the millennium. "It's millennial paranoia: people are very nervous about what'll happen," said Chris Brancato, who has written for "The X-Files" television show and written the screenplay for a new film, "Species II," now in production.

Craven, director of "Scream" and other successful horror films, said: "We're not only coming to the end of the century but the end of the millennium. There are strange things afoot. Psychologically, we feel we are moving toward the precipice and nature will take revenge."

Other masters of the horror film are not so sure. John Carpenter, whose films include "Escape From L.A.," observed that studios inevitably recycle old ideas, and the recycling is now veering toward bug films of the 1950s. "Everyone wants to mine the mother lode for a hit," Carpenter said. "And perhaps we're alienated-out at this point."

Was he surprised by the swarm of bug films? "Nothing about Hollywood surprises me," Carpenter said.

## Diana Cleans Out Her Closet, and Charities Make \$3 Million

By Elisabeth Bumiller  
New York Times Service

NEW YORK — The clothes trace her metamorphosis from frilly princess through the "Dynasty Di" years to the woman on her own in the sleek column dresses of the 1990s. They were also, it turns out, an excellent investment.

At a packed Christie's auction, an off-the-shoulder, ink-blue velvet dinner dress that the Princess of Wales wore when she danced at the White House with John Travolta sold for \$222,500 — breaking a previous Christie's record of \$145,000 for the costume that Travolta himself wore in the movie "Saturday Night Fever."

So went a boisterous auction Wednesday night that brought in \$3.25 million for 79 cocktail and evening dresses belonging to the Princess of Wales, an average of more than \$41,000 a dress. (Christie's officials estimated their original cost at around \$5,000 each.) The auction, which benefited cancer and AIDS charities, was attended by more than 1,100 buyers.

Lord Hindlip, the auctioneer and chairman of Christie's International, said Christie's had taken in about twice what he had expected.

Diana was in London, but asked that Christie's send her the results overnight, said Meredith Etherington-Smith, creative director for Christie's International.

A pearl-embroidered sheath that Diana calls the "Elvis dress" went for the second-highest price, \$151,000, to the Franklin Mint, a purveyor of souvenir plates and coins. A noisy red chiffon with silver lame — "That is not the most successful dress in the collection, I am here to tell you," Etherington-Smith conceded before the auction — turned up at a lot of film premieres. Someone paid \$34,500 for it Wednesday night.

The sale of Diana's "fairy tale gone sour" past at the Park Avenue auction house was, depending on one's point of view, either the beneficent act of a caring woman or a public relations gimmick by Christie's, which is collecting only its expenses. No one disputes, however, that it was the necessary undertaking of a busy shopper who desperately needed to clean out her closets. When Etherington-Smith first went to Kensington Palace to view Diana's dresses, she was taken aback by "quite a large room" entirely jammed with clothes.

"The princess said, 'You can see my problem,'" Etherington-Smith added. "I said, 'I certainly can.'"



Lord Hindlip, the chairman of Christie's International, auctioning off a fuchsia and purple chiffon dress.

## PEOPLE

WHEN a politically connected lobbyist asked the Miami City Commission to build a fence that would deny joggers, bikers and skaters access to a historic Miami street, the council jumped, and said how high. Ten feet would do, replied Rosario Kennedy, a former commissioner and ex-wife of a former mayor, in the start of a brouhaha that has come to be known as "Stallone Gate," so named because Kennedy's client is Sylvester Stallone, who lives on the block to be barricaded. Without benefit of a public hearing, the commission unanimously voted to spend \$4,400 to build a 110-foot-long (33-meter) fence at the end of the cul-de-sac that also is home to Madonna, among others. A huge fuss ensued. Opponents pointed out that the block includes a public park that provides common folk with one of the few unfettered views of Biscayne Bay and the Atlantic Ocean. The city cut a gate in the fence, but planned to keep it locked. A hearing was scheduled for Thursday night to determine whether the gate will be unlocked, at least during daylight hours.

Michael Jackson failed to sell out the first of his four French concerts, part of a European

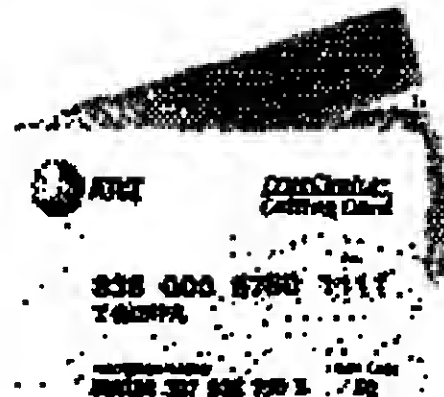
tour widely seen as an attempt to revive flagging record sales. Jackson played Lyon's 30,000-seat main soccer stadium but only drew 23,000 fans. The concert venue had already been switched to the stadium from a 50,000-capacity park after advance ticket sales showed that the park would never fill up.

An attorney grievance panel has found that Frank Maco, a prosecutor, was within his rights when he announced he had evidence that Woody Allen had committed child abuse but would not prosecute. Allen had filed a misconduct complaint with the Connecticut panel, saying Maco's announcement in 1993 essentially convicted him of child abuse while leaving him no way to clear his name and hurt his efforts in his custody fight with Mia Farrow.

The Russian-born Elena Nazarov, 27, is to take over as designer of Jacques Fath's ready-to-wear line. Nazarov, who will replace Tom Vanlengen as artistic director, moved to the United States in 1991 and studied at the Parsons School of Design in New York.

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